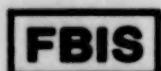


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30 July 1985

Southeast Asia Report



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30 July 1985

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AUSTRALIA

BRIEFS

SENATE PROBES NEW ZEALAND TIES--A committee of the Senate has questioned the effectiveness of aspects of the agreement between Australia and New Zealand aimed at eventually eliminating all bilateral trade barriers. In a report released yesterday, the Standing Committee of the Senate on industry and trade says some [of] the agreement's objectives are being compromised because of arrangements exempting a range of goods from the progressive lifting of tariffs and other barriers. It also says the agreement lacks a plan or strategy for the future development of industries and regions in both countries. Today's report is the second by the Senate committee since the agreement on Closer Economic Relations, or CER, came into effect in January 1983. Among its recommendations, the committee says the federal government should ask the Industries Assistance Commission to inquire into and report on the impact of CER on the government's industry policies. In particular, the commission should inquire into whether CER will promote the expansion of Australia's low-cost efficient industry, and how Australia will be affected by recent changes to New Zealand's industry assistance policies. [Text] [Melbourne Overseas Service in English 1230 GMT 17 Jul 85 BK]

CSO: 4200/1230

INDONESIA

HABIBIE DISCUSSES NURTANIO-CASA COOPERATION WITH SPAIN

Jakarta ANTARA NEWS BULLETIN in English 8 Jun 85 p A1

[Text] Madrid, June 17 (ANTARA).-- State Minister of Research and Technology Dr.B.J. Habibie Monday evening was received in audience by King Juan Carlos of Spain at Palacio de la Zarzuela, Madrid, for about one hour.

Prior to his meeting with the Spanish King, Minister Habibie had also a one-hour talk with Prime Minister Felipe Gonzales.

At both meetings the problem of bilateral cooperation in the field of high technology had been discussed, in particular in the field of aviation between PT Nurtanio and CASA in the production of C-212 and CN-235 planes and the stretching of the CN-235 plane's capacity from 35 to 60 passengers.

They also discussed cooperation in marketing the CN-235 plane in Europe by CASA and in Asia and the Pacific by PT Nurtanio.

They agreed that the ten-year cooperation between the two airplane industries had proved to be mutually beneficial thanks to both parties' readiness to capital, risk as well as work opportunity and profit sharing.

The Spanish King as well as the Prime Minister and Minister Habibie were of similar view that this cooperation could be made an example of Asian-European cooperation.

Other Spanish enterprises have been asked to follow this example of cooperation in the fields of trade and tourism with Indonesia.

Minister Habibie has further called for Spanish firms' more aggressive participation in Indonesia's development in the framework of supporting regional cooperation between ASEAN and the European Economic Community and in long term development of Pacific Basin potentials.

Prime Minister Felipe Gonzales, who was flanked by his foreign minister at the meeting with Minister Habibie, expressed his appreciation for the opportunity to exchange views with the Indonesian minister.

During his talks with the Spanish King and the Prime Minister, the research minister was accompanied by Indonesian ambassador to Spain Leon H. Sumantri.

King Juan Carlos and Queen Sophia conveyed through the research minister their personal greetings to President and Madame Tien Soeharto.

Preceding his talks with the King and the Prime Minister, Minister Habibie had discussions Monday morning with Communications and Tourism Minister Enrique Baron and Minister of Industries Carlos Solchaga, pertaining to stepping up of bilateral cooperation.

According to plan, Minister Enrique Baron will visit Indonesia at the end of this year, while Prime Minister Gonzales is looking for an opportune time to visit Indonesia.

INDONESIA

NES PATTERN NOT TO BE MODIFIED, MINISTER SAYS

Jakarta: ANTARA NEWS BULLETIN in English 19 Jun 85 p A3

[Text]

Jakarta, June 19 (ANTARA).- Minister of Agriculture Achmad Affandi has admitted that the People's Nucleus Companies (PIRs) at private estates are developing stumblingly, although there is one or another company trying to manage well.

Speaking to reporters here on Wednesday, the minister described the estate entrepreneurs' wish for profits as normal but added the government would not change the existing provisions of the so-called PIR pattern.

ANTARA sources said, that private sector has so far expressed concern over the 20:80 ratio under the PIR pattern, notably 20 for the nucleus and 80 for the plasma. Most of them prefers a 40:60 ratio, the sources added.

Under the provisions, a private concern must abide by the pattern if it wants to establish an estate, in which activities from land reclamation, planting, cultivating to cropping, are managed under the expense of the company acting as nucleus.

The plasma, in which each farmer-family entitled to have two hectares of the plantation area, must pay down the expenses covered by the nucleus during development of the plantation.

Another complaint is about the expiration of the Land Exploitation Right (HGU) given to the entrepreneurs. They considered the 30 year old validity of the HGU as too short for their investments.

Most entrepreneurs have more interest in oilpalm plantation-the commodity which has been named "prima donna" among Indonesia's agricultural projects.

The minister said at present there was a private company applying the PIR pattern in Riau for the oilpalm plantation covering an area of 100,000 hectares.

CSO: 4200/1193

INDONESIA

BETTER WEST GERMAN ROLE IN INDONESIA'S DEVELOPMENT URGED

Jakarta ANTARA NEWS BULLETIN in English 24 Jun 85 pp A4, A5

[Text]

Aachen, June 23 (ANTARA).-- West German scientific and industrial communities had been invited to take a more active part in Indonesian development toward an industrial society.

The invitation was conveyed by Minister of Research and Technology B.J. Habibie Friday when he spoke before 300 West German scientists and industrialists at a technological institute here where he himself had once studied.

Habibie called on the scientists and industrialists to come to Indonesia to carry out research and make investments together with their Indonesian partners, instead of only selling goods and services.

Such a cooperation, he said, means the joint sharing of costs, risks, employment and profits.

He disclosed that in the coming years, Indonesia and its foreign partners have to make big investments for the sake of Indonesia's further development.

For instance, to maintain self-sufficiency in rice (on the rate of 400 grams of rice per person per day), Indonesia at the close of this century has to produce 34.5 million tons of rice a year.

This means more big investments for the production of fertilizers, pesticides and agricultural machineries.

With the abundance of rice production at present, the per capita consumption is reaching 410 grams per person per day.

Another example is in the energy sector. To meet the demand for 21,000 MW of electricity an investment of US\$ 21 billion is needed.

To meet these demands, Indonesia's foreign partners should understand that they should also share costs, risks, employment and profit with their Indonesian counterparts, Habibie emphasized.

Indonesia does not intend to produce 100 percent of its needs for goods because such a step would not be profitable.

Indonesia would already be satisfied if it could contribute just 60 percent of all its needs, he added.

On the construction of nuclear generators, Habibie said Indonesia hoped for international cooperation among countries already in possession of the necessary technology, not by each country separately and alone.

For such a cooperation, Indonesia had received offers from France, West Germany, Canada, and the United States.

Habibie said Indonesia's high-technology industry program is being prepared for cautiously on the basis of economic calculations, need and national interest.

"The program is not for the sake of prestige," he said.

He explained that the "take-off" toward the industrial society planned for by Indonesia in its forthcoming Sixth Five-Year Development Plan was to be supported by capabilities as well as demanded by national imperatives.

Among the capabilities already achieved are the achievement of self-sufficiency in rice and the great increase in domestic production. These achievements will support the "take-off", in addition to political and economic stability.

Among the national imperatives to be met are the rising demand of the domestic market for industrial products and the need to create job opportunities.

The agricultural sector could no longer absorb about 100 million job seekers at the end of this century, Habibie said.

Habibie spoke before the Aachen technology institute in the framework of the Indonesia-West Germany Technology Forum.

CSO: 4200/1193

INDONESIA

EX-COMMUNIST PRISONERS FREE TO EARN A LIVING

Jakarta ANTARA NEWS BULLETIN in English 26 Jun 85 p A3

[Text]

Jakarta, June 26 (ANTARA).- The ex-political prisoners of the 30th September 1965 abortive communist coup attempt are given freedom to conduct business to earn their living on condition they use legal and rightful ways.

The director general of the political affairs department of the ministry of home affairs, Hari Sugiman, made this statement to the press following a post-Idul Fitri get-together with Home Minister Soepardjo Rustam and officials of the ministry here Tuesday.

He said all the ex-prisoners are treated equally as other citizens, thus receiving equal freedom and liberty to make a living. "They have equal rights and freedom as other citizens", he stressed.

The director general denied a recent issue which said that the ex-political prisoners were not allowed to become journalists. He said the term was they are just given limitations meaning that the government assesses their conducts and behaviour before permitting them to work as journalists.

"The newspapers have made a wrong report", he added.

Hari Sugiman reiterated that the government had taken some measures against the risk of the freedom of the ex-political prisoners and assured that the risk was minimum. Despite that the government still holds the responsibility for counselling and guiding them as it has with other citizens.

In reply to a question on a recent statement from the Agency for Pancasila Comprehension and Implementation which said that the ex-communist political prisoners had no right to follow an up-grading course on Pancasila Hari Sugiman said that at the first phase the course was exclusively meant for the public leaders.

On possibility for them to have the course in the future he said that the plan was leading to that according to priorities and stages.

According to him the priority at present is given to those already included in the set programs such as the one that targets 5,000 participants from the regencies in the country.

AMMONIA FACTORY TO BE BUILT IN SOUTH SULAWESI

Jakarta ANTARA NEWS BULLETIN in English 24 Jun 85 pp A4, A5

[Text]

Jakarta, June 24 (ANTARA).- President Soeharto has agreed to the setting up of an ammonia plant in South Sulawesi, which will utilize natural gas available in the Sengkang, Wajo regency, area.

Minister of Mining and Energy Subroto and Industries Minister Hartarto after their meeting with President Soeharto at Bina Graha Presidential Office here Monday morning told newsmen that natural gas reserves in the Sengkang area reach a quantity of about 400 billion cubic feet.

The President has stressed that the construction of the ammonia plant is important for the production of urea fertilizers, Minister Subroto said.

According to the minister of mining, with reserves of 400 billion cubic feet, natural gas could be provided for about 20 years.

The proposed ammonia factory is projected to produce 1,500 tons of ammonia per day, and the factory is expected to be in operation by 1989.

The minister further pointed out that for field explorations of the natural gas project some US\$ 112 million are needed and for the setting up of the plant about US\$ 264.6 million.

The natural gas project at Sengkang will be tackled by British Petroleum (BP) and Gulf Oil. Both firms which are production sharing contractors of the Pertamina state oil company, are the discoverers of natural gas in South Sulawesi.

According to the minister of mining, the President had also instructed to establish a project advisory committee, consisting of elements of the ministries of finance, industries, mining and energy, as well as of the agency for the assessment and application of technology (BPPT) and of Pertamina state oil company, Subroto said.

CSO: 4200/1193

INDONESIA

MP'S REGRET EP CRITICISM OF PKI EXECUTIONS

Jakarta ANTARA NEWS BULLETIN in English 28 Jun 85 p A9

[Text]

Jakarta, June 28 (ANTARA).-- Members of Indonesian Parliament have voiced regret/criticism from the European Parliament on the execution of PKI (Indonesian Communist Party) top personnel since it meant interference in Indonesia's internal affairs. ^{Over}

"I very much regretted the official criticism from the European Parliament because penalties to several PKI leaders is a concern of a free country, Indonesia, which was the decision of the court", chairman of the House Commission I H. Ismail Hassan Metareum SH, of PPP (United Development Faction) said to ANTARA here Friday.

Death penalties are still a practice in various countries, given especially to those who threaten a country's security. The safety of a nation and a country in this matter comes first, according to Metareum.

In Indonesia death penalties are one of the decisions within the legal body in effort to protect the interest of the majority and not merely that of individuals and certainly not of those who indulge in practices dangerous to the public and country, he said.

It is not a matter of human rights, Metareum continued, saying that human rights should be well taken care for, that is an assurance of human rights to everybody who is not doing anything dangerous to other people's and the nation's safety.

He firmly refused to acknowledge that death penalties are political murders as accused by the European Parliament.

Death penalties to PKI leaders are not political murders but a follow up of the court decision to be carried out by the responsible party after the decision obtained legal approval and guilty proven, he firmly stated.

Surprising

The attitude as expressed by the European Parliament which seemed to be in defence of the people who conducted treacherous actions came as a surprise, Metareum further stated.

"Because we all know that everywhere the communist ideology is to allow all means", he added.

They should have given consideration to the rights of sinless people murdered, even cut to pieces, on September 30, 1965 instead, he argued.

With regard to this the chairman of the House Commission I called on the European Parliament to reconsider its resolution, particularly in view

of its effects and the harsh words used.

Most European countries are good friends of Indonesia. This friendship should be well maintained, even stepped up.

When asked on the background of the resolution Metareum said it was difficult to predict, adding that it is the common practice that only certain organization, Amnesty International, in which gather various opinions dominated by the leftists, which comes up with such criticism.

It could be that the leftists found in plenty in Europe are behind this, he said.

Not to be bothered

Meanwhile deputy chairman of the House Commission I, Subekti of PDI (Indonesian Democratic Party), was of the opinion that Indonesia should not pay any attention to the resolution.

He saw the resolution as an interference in Indonesia's internal affairs since the decision to execute the PKI leaders was the court decision which should be obeyed.

Besides, he added, death penalties are not uncommon in other countries, so it needed to be questioned why the concern for Indonesia alone.

He reminded that PKI tried to gain power not only through an illegal way but by also using force. All these have been proven at the court, he continued.

Subekti was in full support of Indonesian parliamentary delegation to Europe, which was headed by the head of Parliament Amirmachmud and his deputy chairman M. Kharis Suhud.

Whatever happens the delegation is expected to gain success and not to pay any attention to the criticism, he concluded.

CSO: 4200/1193

LAOS

BRIEFS

SECOND CONFERENCE HELD—Vientiane, 18 July (KPL)—The party organization of the Ministry of Finance recently held its second conference with more than 40 party cadres attending. Among those present at the conference were Nouthak Phoumsavan and Gnao Phonvantha as senior party members. During the conference the participants heard a report given by Bounkhan Phimmaseang, secretary of the party organization of the said ministry. They also adopted a new action plan and elected a new seven-member executive committee. [Text] [Vientiane KPL in English 0927 18 Jul 85]

CHILDREN'S ASSEMBLY—Vientiane, 16 July (OANA-KPL)—The "peace banner" Sofia-85 is of great significance to peace in the present world situation Souphanouvong, president of the Lao PDR, has said in his message of greetings to the children international assembly under a slogan "peace banner" Sofia-85. The president, on behalf of the Lao people, expressed conviction that the children international assembly will provide a chance of hope and confidence for the development of peace and friendship spirit among the adolescents and youths in the world. This is due to the fact that they are owner of peace in the actual and future century. "In our epoch, there is nothing more precious than peace principles, the Lao president stressed in his message. Souphanouvong also said that, in the present complex situation due to the escalation of arms race of imperialism, the "peace banner" Sofia-85 is of great significance, because it is a concrete practical step reflecting a deep concern and confidence on guaranteeing peace in the future. He wished the "peace banner" Sofia-85 splendidly great success. [Text] [Vientiane KPL in English 0901 GMT 16 Jul 85]

IRAQ'S REVOLUTION ANNIVERSARY—Vientiane, 17 July (KPL)—Souphanouvong, president of the Lao PDR has sent today a message of greetings to Saddam Husayn, president and prime minister of the Arabic Republic of Iraq, on the occasion of the 17th anniversary of the national socialist revolution of the Arabic Republic of Iraq. The Lao president on behalf of the Lao people and on his own name conveyed warm congratulations and best wishes to President Saddam Husayn and through him to the government and people of Iraq. President Souphanouvong on this occasion wished for further strengthening of the friendly relation and solidarity between the two countries for peace and security in the world. At the

same day Phoun Sipaseut, vice-chairman of the Council of Ministers, and minister for foreign affairs also sent a congratulatory message to Tariq Aziz, vice-primer and minister for foreign affairs of the Arabic Republic of Iraq. [Text] [Vientiane KPL in English 0913 GMT 17 Jul 85]

FRENCH NATIONAL DAY--Vientiane, 13 July (KPL)--President of the Lao PDR, Souphanouvong, recently sent a message to his French counterpart, Francois Mitterrand, greeting the French National Day. The message writes: "On the occasion of the National Day of France, I would like to convey to you and through you to the government and people of France, my warm congratulations and best wishes. I wish that the friendship relations between our two countries will be constantly strengthened for the interest of our two peoples." The vice-president of the Council of Ministers and minister for foreign affairs, Phoun Sipaseut, also sent on the same occasion, greetings to Roland Dumas, minister of external relations of France. [Text] [Vientiane KPL in English 0909 GMT 13 Jul 85]

VIENTIANE DELEGATION TO HANOI--Vientiane, 9 July (OANA-KPL)--A delegation of Vientiane agriculture, irrigation and cooperatives service led by O-lot Chounlamounti, deputy minister, head of the service left here yesterday for Hanoi on a friendship visit at the invitation of the agriculture, irrigation and cooperatives service of Hanoi. Seeing the delegation off at Wattai Airport were Siho Rannavong, deputy-major of Vientiane, and other senior officials. Nguyen Dinh Hiep, representative of the party and people's committees of Hanoi to Vientiane, was also present at the send-off. [Text] [Vientiane KPL in English 0906 GMT 9 Jul 85]

YOUTH DELEGATION TO SOFIA--Vientiane, 4 July (KPL)--A delegation of the Central Committee of the Lao People's Revolutionary Youth Union [LPRYU] led by Mrs Thongvin Phomvihan, member of the LPRP CC, first secretary of the LPRYU CC left here yesterday for Sofia to attend the children international assembly under a slogan "Sofia Peace-Banner 85" scheduled to be held there from 10-20 July. Seeing the delegation off at Wattai Airport were Singkape Sikhotchounlamali, president of the Lao Committee for World Peace, Solidarity and Friendship with Other Nations, and other senior officials. Dragomir Tchelokov, [name as received] charge d'affaires of the Bulgarian Embassy, and Vladimir Sobchenko, Soviet ambassador to Laos were also present at the airport. [Text] [Vientiane KPL in English 0857 GMT 4 Jul 85]

BULGARIAN-BUILT COLD STORAGE--Vientiane, 9 July (OANA-KPL)--An air-conditioned store-house constructed with the assistance of the Ministry of Agriculture of Bulgaria was recently handed-over here to the Lao Ministry of Agriculture, Irrigation and Cooperatives. Signing a document at the hand-over ceremony, on the Lao side, was head of the Laos-Bulgaria Friendship Farm for Vegetable Plantation, and, on the Bulgarian side, head of the Bulgarian work-team. In attendance of the signing ceremony were Khamsing Sai-gnakon, deputy-minister of

agriculture, irrigation and cooperatives, and Ivan Panguelov, commercial adviser of the Bulgarian Embassy here. The construction of the store-house is in accordance with the agreement of cooperation signed here on 31 March, 1982 between the two ministries. The store-house, the construction of which started early this year, could store 50 [metric] tons of vegetable. [Text] [Vientiane KPL in English 0911 GMT 9 Jul 85]

MINISTER RETURNS FROM GDR--Vientiane, 3 July (KPL)--A delegation of the Lao Public Health Ministry led by its minister, Dr Khamliang Phonsena, recently arrived here from the GDR. Greeting the delegation at Wattai Airport were deputy-ministers of public health, Prof Vannalet Latsapho, Dr Ponmewk Dalaloi, and Phen Phengsi-gna; and other officials. Dr K. Phonsena was the head of the Lao public health delegation to attend the 25th conference of the socialist countries' public health ministers held from 10 to 13 June, in Berlin. [Text] [Vientiane KPL in English 0905 GMT 3 Jul 85]

WOMEN'S DELEGATION TO KENYA--Vientiane, 4 July (KPL)--A delegation of the Women's Union led by its president Mrs Khampheng Boupna, member of the LPRP CC left here yesterday for the Republic of Kenya to attend the world conference to review the "UN Decade for Women" to be held from 15 to 26 July in Nairobi. The conference will evaluate the women's contribution from 1976 to 1985 to the implementation of the slogans for equality, development and peace. Seeing the delegation off at Wattai Airport were Mrs Phetsamon Lasasimma, member of the LPRP CC, vice-president of the LWU [Lao Women's Union], and other officials. Vladimir Sobchenko, ambassador of the USSR to Laos, was also present at the airport. [Text] [Vientiane KPL in English 0912 GMT 4 Jul 85]

JOURNALISM DELEGATION TO PRK--Vientiane, 10 July (KPL)--A delegation of the State Committee for News Agency, Newspaper, Radio and Television led by its vice-chairman Thongsavath Yamani, left here on 8 July, for the People's Republic of Kampuchea for a friendship visit. The delegation is to sign a cooperation agreement on radio and television for 1985-1986 with its Kampuchean counterpart. Seeing the delegation off at the airport were Son Khamvanvongsa, acting-chairman of the State Committee for News Agency, newspaper, Radio and Television and other officials. Li Hach, second secretary of the Kampuchean Embassy here, was also on hand. [Text] [Vientiane KPL in English 0906 GMT 10 Jul 85]

TRADE EXCHANGE WITH SRV--Vientiane, 14 July (OANA-KPL)--A memorandum on trade exchange between the Lao and Vietnamese sister provinces of Xieng Khouang and Nghe Tinh was recently signed in Vinh District of Nghe Tinh Province. In accordance with the 1984 bilateral agreement on economic cooperation, the value of trade exchange between the two sister provinces this year--as spelled out in the memorandum--would increase to more than 12 million kips. Signatories to the memorandum were managers of trade companies of the two provinces. [Summary] [Vientiane KPL in English 0906 GMT 15 Jul 85]

Vientiane, 15 July (OANA-KPL)--A memorandum on trade cooperation between the Lao and Vietnamese provinces of Champassak and Nghia Binh was recently signed in Champassak Province. As pointed out by the memorandum, the two sides will review the past activities and further enhance the implementation of trade cooperation programs for 1985 between the two provinces. Signatories to the memorandum were heads of trade companies of the two provinces. [Summary] [Vientiane KPL in English 0914 GMT 15 Jul 85]

FRENCH NATIONAL DAY RECEPTION--Vientiane, 15 July (KPL)--Marc Menguy, French ambassador to Laos, yesterday held here a reception marking the national day of the Republic of France. Among those present were Khamphai Boupma, first deputy-minister of foreign affairs, and other senior officials. Diplomatic envoys and representatives of international agencies to Laos were also on hand. [Text] [Vientiane KPL in English 0916 GMT 15 Jul 85]

AGRICULTURE DELEGATION TO USSR--Vientiane, 4 July (OANA-KPL)--A delegation of the Ministry of Agriculture, Irrigation and Cooperatives led by its Minister Inkong Mahavong, member of the party CC, left here yesterday to the USSR for a friendly visit at the invitation of the Ministry of Water Conservancy of the USSR. Seeing the delegation off at Wattai Airport were Khamsing Sai-gnakon, Sitaheng Latsaphon and Bouathong Phounsalit, deputy-ministers of agriculture, irrigation and cooperatives. Vladimir Sobichenko, ambassador of the USSR to the Lao PDR, was also present at the airport. [Text] [Vientiane KPL in English 0915 GMT 4 Jul 85]

HOUSING FOR USSR EMBASSY--Vientiane, 6 July (KPL)--The Lao Foreign Ministry and the Soviet Embassy here have reached an agreement on the overall construction work of dwellings of Soviet Embassy. The agreement was signed here yesterday by Deputy-Foreign Minister Soulivong Phasithidet and Soviet Ambassador V. Sobichenko. [Text] [Vientiane KPL in English 0903 GMT 6 Jul 85]

YOUTH FESTIVAL PHOTO EXHIBITION--Vientiane, 4 July (KPL)--Photo-exhibition devoted to the 12th World Festival of Youth and Students to be organized soon in Moscow was recently opened at the Soviet Cultural Centre here. Among those present at the opening ceremony, on Lao side was Somphavan Inthavong, vice-chairman of the State Planning Committee, vice-president of the Laos-USSR Friendship Association Central Committee, and on the Soviet side was Malinine [name as received], director of the Soviet Cultural Centre, acting-representative of the Soviet Committee for Friendship and Cultural Cooperation with Other Countries to Laos, and other officials concerned. [Text] [Vientiane KPL in English 0850 GMT 4 Jul 85]

TELEVISION PRODUCTION COURSE OPENED--Vientiane, 10 July (OANA-KPL)--A course on the basic T.V. production was recently closed here after three weeks of study. The course which enjoyed the assistance from UNESCO and the Asia-Pacific Institute for Broadcasting Development, was attended by 14 workers from the Lao national T. V. and 12 from the Department of Cinematographic [as received]. [Text] [Vientiane KPL in English 0910 GMT 10 Jul 85]

BANKING CONFERENCE ATTENDED--Vientiane, 10 July (OANA-KPL)--A banking and trade conference was opened here yesterday. It was attended by more than 300 cadres from Vientiane, Bolikhamsai, Houa Phan, Xieng Khouang provinces. Among those present at the opening ceremony were Houhak Phoumsavan, political Bureau member of the LPRP CC, and first vice-chairman of the Council of Ministers, Vanthong Sengmuang, member of the LPRP CC and minister of trade, and Boutsabong Souvannavong head of the State Bank. On this occasion, the first vice-chairman Houhak Phoumasavan pointed out the important role of banking and trade works in the implementation of the party's policy in converting the small scale production into a wide socialist one. He pointed out that all the cadres working in the field of economy have to implement the resolution of the Politbureau of the LPRP CC and the Council of Ministers in connection with the conversion of the old and outdated economic mechanism and management into a new one. At the end of his speech N. Phoumsavan wished all delegations greater success in their future works and to successfully carry out the party's policy. [Text] [Vientiane KPL in English 0903 GMT 10 Jul 85]

CSO: 4200/1236

MALAYSIA

MOVES TO COPE WITH DRUG MENACE

BK181118 Kuala Lumpur International Service in English 0800 GMT 18
Jul 85

[Unattributed commentary]

[Text] Malaysia's declaration of war on the drug menace is now being followed by more effective measures to deal with the evil, both within the national territory itself and at regional and international level. At the recent ASEAN foreign ministers conference as well as meetings with the dialogue partners, Malaysia was particularly active in urging that more should be done worldwide to win the war against drugs. No sooner had the ASEAN meeting ended than the deputy prime minister, Datuk Musa Hitam, was reviewing the proposed courses of action and desirable reforms. [words indistinct] to reiterate the Malaysian posture on drugs while addressing the 10th annual general meeting of Pemadam-- a body dedicated to eradicating the drug addiction evil. The deputy prime minister explained why it was not enough for any nation to try to cope with the drug menace by itself and depending on its own resources.

Today, the evil has assumed alarming proportions, and Malaysia's view is that they have to begin with a tougher attitude toward the narcotic trade and those who involve themselves with it. To the Malaysian experience it is that many young people apart from becoming addicts are lured into becoming drug courriers and middlemen by the temptation of the easy money. Malaysia imposes the death penalty on those who are convicted of trading drugs. It is regrettable that some human rights organizations have either misunderstood or chosen to misrepresent this tough Malaysian law enforcement practice. It may be pointed out that no one is convicted and sentenced without a proper trial and the well-known requirement that the [word indistinct] should be established by credible and accessible evidence beyond reasonable doubts. There are also channels for filing appeals to the highest judicial tribunal. Malaysia's view is that in this matter, there should be sympathy and concern for the victim of drug addiction who is exploited by the drug distributors and rather than those who without any scruples belong to crime syndicates that operate on an international scale. The most

recent development in Malaysia's objective in securing greater international cooperation is the agreement in principle reached by top police officials of Malaysia and Indonesia. In the course of the recent 11th Malaysia-Indonesia police cooperation talks, the agreement was reached on strategies such as joint operations at seas and the measures to be taken for dealing with drug traffickers. This is a significant breakthrough not only for Malaysia and Indonesia but for ASEAN as a whole in view of our close proximity to the notorious Golden Triangle area from which drugs are sent to all parts of the world.

In the months to come, Malaysia will be pressing for more to be done on a global scale. Already, there are arrangements by which expertise and training in antidrug strategies are available from countries like the United States. Malaysia will carry on the war relentlessly for in war there is no substitute for victory.

CSO: 5300/4488

MALAYSIA

KUALA LUMPUR COMMENTS ON ASEAN PROPOSAL

BK151157 Kuala Lumpur International Service in English 0800 GMT 15 Jul 85

[Unattributed commentary]

[Text] The 18th ASEAN Foreign ministers conference and the post conference dialogue with the six dialogue partners are over, but there is no doubt that the impact to be felt in international relations may result in some welcome changes. For Malaysia, the immediate concern will be how Vietnam will react to the ASEAN proposal for proximity talks between the tripartite coalition, headed by Prince Norodom Sihanouk, and the Heng Samrin government, with its Vietnamese ally. At this stage, it would be pure conjecture to say how Hanoi will react to the latest ASEAN move for a peaceful settlement to the Kampuchean problem. All that ASEAN can do is to adopt a wait and see attitude, and yet be prepared to launch a further diplomatic offensive, both to indicate to the international community its earnestness about ending the stalemate in Kampuchea and to coax Vietnam to enter into negotiations.

In the meantime, although Prince Sihanouk has openly expressed doubt and skepticism about Hanoi's interest in the ASEAN proposal, he has not entirely rejected it out of hand. The prince has asked that some thoughts be given to talks in Geneva that will involve all the parties most directly involved in the Kampuchean issue—mainly the Kampuchean factions themselves, as well as Vietnam, the Soviet Union, and China.

Yet another scenario that was developed in Kuala Lumpur is that the Vietnamese occupation of Kampuchea should be brought up by President Ronald Reagan when he meets his Soviet counterpart, Mr Mikhail Gorbachev, at the forthcoming summit. That is an idea worth exploring, especially as the purpose of the summit meeting between the two superpowers is to review every aspect of international relations. ASEAN has pressed the U.S. State Department to bring up the Kampuchean issue at the Helsinki meeting at the end of this month. Mr George Shultz will be meeting the new Soviet foreign minister on that occasion. The ASEAN strategy is the most appropriate one in the circumstances. The Kampuchean issue, as the media calls it, involves the welfare of a particularly unfortunate people, mainly the Kampucheans. Many thousands of them have been forced to find asylum in Thailand while their country continues to be occupied by a totalitarian power.

If ASEAN were to adopt a less urgent attitude, then there is no doubt what will happen: Vietnam will entrench itself even more strongly in Kampuchea and make it out as though that country is part of its own territory. The world, from the psychological point of view, forgets easily and Kampuchea by default will go to Vietnam and it would be impossible even to induce world public opinion to spare a thought for Kampuchea. ASEAN's strategy will serve to keep the spotlight on Kampuchea. Vietnam must once more face the criticisms of UN member states for its stubborn refusal to move its troops out of Kampuchea. That will happen in September at the 40th UN General Assembly. But over and above that, ASEAN will continue to draft new ideas for peace and stability in Southeast Asia. So, too, will Malaysia.

CSO: 4200/1226

MALAYSIA

RELATIONS WITH PNG, FIJI DISCUSSED

BK171015 Kuala Lumpur International Service in English 0800 GMT 17
Jul 85

[Unattributed commentary]

[Text] The ASEAN ministerial conference and the postconference dialogue that followed it in Kuala Lumpur last week have strengthened Malaysia's ties not only with the six dialogue partners but also with two other Pacific nations. Although they are not ASEAN members nor dialogue partners, Papua New Guinea and Fiji were represented at the Kuala Lumpur meeting by senior members of their cabinets. The Fijian deputy prime minister and the foreign affairs minister of Papua New Guinea were both present at the Kuala Lumpur meeting. Papua New Guinea has a special status with ASEAN, namely that of observer. Fiji has not been officially accorded that status, but this is the first ASEAN meeting that it has participated in.

Malaysia has been strengthening its contacts with the Pacific island states in a variety of ways. The prime minister, Dr Mahathir Mohamed, has visited Fiji and some of the other states. In addition, Malaysia was present at the last regional conference of the Commonwealth heads of government. But, above all else, Malaysia has been very active in the provision of economic assistance to the Pacific island states. Doubtless, for historic and geopolitical reasons, these states tend to obtain some aid from Australia and New Zealand, but as Malaysia is still a progressive Third World nation, it is in a good position to help the small nations of the South Pacific. It is also relevant to state here that the sociocultural environment of Malaysia is one that the Pacific people will not find difficult to adapt. In the past few years or so, a number of officials from various Pacific nations have come to Malaysia to attend courses at the prestigious National Institute of Public Administration or Intan as Malaysians call it and other suitable institutes. At the moment, there are a number of officials who are attending a course on library technology at the National Library in Kuala Lumpur.

Malaysia's technical cooperation scheme cannot compare in volume with that of the more affluent nations. But, in relation, by size and resources, it is quite significant. Malaysian investors have also ventured into a few economic enterprises in Fiji. This kind of economic and trade relations will be further developed now that Malaysia's external relations policy has been given a new look in that the priority will be economic contacts.

It is only now that Southeast Asian nations and the Pacific island states have rediscovered one another. Given the dynamic economic changes taking place in the Pacific basin, there is no reason to doubt that ASEAN and the Pacific nations will come closer together. It is best not to rush into too many theoretical issues. ASEAN has succeeded by adopting a pragmatic or evolutionary approach in all its policies. Malaysia has always stood by the Pacific island nations, firstly in their struggle to be rid of colonial rule and now in their gallant efforts to build up viable economies and to put an end to French nuclear tests in the Pacific. There is no doubt that the coming months will see even more developments in Malaysia's contacts with the Pacific.

CSO: 4200/1237

MALAYSIA

BRIEFS

BOUNDARY COMMITTEE MEETS--The joint Malaysia-Indonesia boundary committee has been urged to improve the efforts to demarcate and survey the international boundary separating both countries. The minister of land and regional development, Datuk Sri Abid Adam, in making the call, expressed the hope that the Indonesian Government will give top priority to the project. A survey of works is now being undertaken in Sabah, Sarawak, and East and West Kalimantan. Speaking at the opening of the 11th meeting of the joint committee in Kuala Lumpur, Datuk Sri Abid said that so far, seven memoranda have been signed by both countries to recognize the areas demarcated. He also noted that the demarcation and survey of works of the international boundary between Malaysia and Thailand is now at a more advanced stage when compared to that between Malaysia and Indonesia. [Text] [Kuala Lumpur International Service in English 0600 GMT 15 Jul 85]

CSO: 4200/1226

FURTHER ON SUSPECTS IN GREENPEACE SHIP SINKING

HK151013 Hong Kong AFP in English 0944 GMT 15 Jul 85

[Text] Wellington, July 15 (AFP)--Prime Minister David Lange said today more than one person was probably involved in Wednesday's bombing of the Greenpeace vessel Rainbow Warrior in Auckland Harbour in which one crewman died.

Mr Lange said the government would pay for the operation to raise the anti-nuclear group's ship from the harbour floor, so that police could continue with their inquiries into the sabotage bombing which sank it.

But he said there was no proposal for the government to pay for repairs to the peace yacht.

The vessel was in Auckland preparing to lead a protest fleet to the French nuclear testing ground at Mururoa Atoll next month.

Police have meanwhile tightened security around the French Embassy in Wellington and put a guard on the honorary French Consul in Auckland, Lloyd Browne, an Auckland barrister.

The security step-up followed police confirmation that they were following several leads involving French nationals in the bombing case.

The prime minister said the sabotage operation had probably involved "more than one" person.

Today police reported that two of the three possible "French connections" to the attack had been eliminated:

A mystery Frenchman visited the Rainbow Warrior on the day of the sinking, but on a New Zealand request, police in Tahiti reported through Interpol that they had located him and were satisfied he was not a suspect.

New Zealand detectives also eliminated the crew of the French container ship Helene Delmas from their list of suspects, after questioning them over the weekend. The container ship was in port when the Rainbow Warrior was sunk.

But police have asked for public help in confirming the travels of a French couple on the days before and after the blast. The pair had hired a camper van and were questioned by police when they returned it.

The man heading the bomb inquiry, Superintendent Alan Galbraith, today said the 40-detective team had two other strong areas of inquiry.

One was the finding of an abandoned Zodiac inflatable dinghy on a beach near the blast site. Several witnesses had now come forward to confirm sighting a solitary man in the dinghy on the night of the explosion. The blast killed a Portuguese photographer aboard the vessel.

The other lead involves exhaustive checks of diving and underwater hire and sports shops, to try to trace possible suspects who hired or purchased gear to help plant the bombs, said Mr Galbraith.

CSO: 5600/4364

30 July 1985

NEW ZEALAND

WELLINGTON RESPONSE CAUTIOUS TO WHITE HOUSE ANZUS LETTER

Auckland THE NEW ZEALAND HERALD in English 23 May 85 p 5

[Text]

NZPA

Washington

The first sign of a thaw in the port calls row with the United States came yesterday with news that the White House has agreed to review the United States decision to suspend joint military exercises with New Zealand forces.

However, the Prime Minister, Mr Lange, has cast doubt on the significance of the American report, saying he did not have enough information to assess whether there would be a positive review, and that he did not see it as a first step to re-establishing full defence links.

"I do not think there is a substantial review under way."

New Zealand had not indicated that its position in the Anzus row had changed at all, he added.

Nothing New

A member of Mr Lange's staff suggested to journalists that the Oglesby letter was not as strong as it looked, and that it merely suggested a review of the recommendation from the members of Congress that Mr Reagan not cancel joint exercises with New Zealand.

And in Washington an official of the New Zealand Embassy, Mr John Wood, speaking in the absence of the ambassador, Sir Wallace Rowling, said the embassy was aware of the substance of the White House letter.

"In one sense it does not add anything new, because we have been told all along that the measures would be kept under constant review," Mr Wood said.

"On the other hand, we will be inquiring of the State department if it does add anything to our present state of knowledge."

That assurance came from a White House aide, Mr M. B. Oglesby, writing on behalf of President Reagan.

His letter, to 11 members of Congress who had urged President Reagan to treat New Zealand "not as a re-

calcitrant ally to be coerced, but as a long-standing partner whose continued support we value," said their recommendation not to cancel the joint exercises would be reviewed.

"You should be hearing further regarding this matter," his reply said.

It added, too, that the congressional letter had been referred to the presidential advisers "most familiar with this issue."

Intelligence

Suspension of joint exercises was one of the sanctions the United States imposed after the New Zealand Government refused port access to a nuclear-capable destroyer, the USS Buchanan.

The United States also cut down on intelligence sharing, said New Zealand would no longer get help in battling trade bills in Congress, and said it considered New Zealand a non-participating member of the Anzus alliance.

30 July 1985

NEW ZEALAND

FORUM EXPECTED TO ACCEPT NUCLEAR-FREE ZONE PROPOSAL

Wellington THE EVENING POST in English 20 May 85 p 25

[Article by Karen Brown]

[Text]

DUNEDIN, Today. -- The proposed South Pacific nuclear-free zone is likely to further isolate France diplomatically, says the chairman of Parliament's Foreign Affairs Select Committee.

Ms Helen Clark told those attending the annual Foreign Policy School at the weekend that there was every reason to believe that South Pacific Forum leaders due to meet in August would accept the wording of the proposed treaty establishing the zone.

It was expected, she said, that the South Pacific Treaty would have attached to it a number of protocols which the nuclear-weapons states' would be invited to endorse.

The United States, the United Kingdom and France all had territories in the area, which was likely to be covered by the proposed zone, the final details of which were expected to be considered by forum leaders at the August 2 meeting in Rarotonga.

The nuclear-weapons states' were likely to be invited to respect the zone and to undertake neither to subvert it nor use

or threaten to use nuclear-weapons against its site parties.

The treaty would reinforce the efforts state parties, which are to include New Zealand, were making to end French nuclear testing in the Pacific, Ms Clark said, noting also that the key target of Australia in promoting the zone was French testing.

"France is likely to become even more diplomatically isolated as a result, particularly if it is the only nuclear-weapons state which shows an unwillingness to adopt the protocols of the treaty."

The Mt Albert MP added that the present proposals before the forum fell far short of excluding all undesirable matters nuclear from the region, however.

There would be no agreement at this time about the role of nuclear support facilities in the region, nuclear power generation, and the export of the strategic mineral uranium from Australia. In addition, transit on the high seas by any vessel was protected by international law and it was highly unlikely that at this time any nuclear-weapons state would be prepared to waive its right.

These were sensitive issues that could not be tackled now, Ms Clark said.

CSO: 5200/4337

EDITORIAL CONCERNED OVER U.S.-PRC SHIP VISIT FAILURE

Auckland THE NEW ZEALAND HERALD in English 20 May 85 p 6

[Editorial: "Still a Chinese Puzzle"]

[Text]

The abandonment of a visit which three United States warships were to have paid to Shanghai this month reflects serious misunderstandings — or worse — between Washington and Peking. The Americans place great stock in such visits, as Wellington well knows.

Not since the 1949 communist revolution have United States Navy vessels visited China. Calls planned this month had been years in delicate preparation. Cancellation might seem of less account had so much not already been invested in their symbolism and had the Chinese not regarded them as part of a process for securing practical help with naval technology.

Superficially, Labour policymakers in New Zealand might well applaud. For China has apparently been resisting visits by either nuclear-armed or nuclear-propelled vessels; consequent controversy has generated intense diplomatic embarrassment and a familiar standoff.

Last month, before retreating into inscrutability, the Chinese Communist Party general secretary spoke of an agreement that a nuclear-armed vessel would not be involved in the visit. That assertion has never been retracted. Subsequent Chinese official statements emphasised that only conventionally powered naval vessels would call.

The United States has consistently insisted that its policy of neither confirming nor denying the presence of nuclear weapons in ships has not varied. There the matter rests — and will perforce do so for some time. A certain opacity prevails and the cancellation now confirmed does not mutually save face but shares its loss.

Exquisite though the situation may seem, there is scant solace for New Zealand in all of this. Although its proximate difficulties have been with the United States, on an almost identical basic issue, New Zealand wants to preserve good rela-

tions with both parties. Questioning the veracity of either would hardly have helped. Accordingly, local politicians have shown a distinct dearth of curiosity, at least in public, over how and why the Sino-American misunderstanding arose, or even who said what to whom at the outset.

That China is itself a nuclear superpower invalidates precise local parallels; it also makes Peking's predilection in the matter the more mysterious. In its own crusade for a nuclear-free near Pacific, local Labour must be more concerned at events since it precipitated the atrophy of Anzus. They have included American nuclear ship visits to Tonga and Western Samoa and French moves to create a nuclear-vessel base near Noumea, not to mention higher domestic defence spending.

CSO: 5200/4337

NEW ZEALAND

DAILIES REPORT OPPOSITION'S ANZUS SUGGESTION

McLay's Way To 'Defuse Breach'

Auckland THE NEW ZEALAND HERALD in English 20 May 85 p 2

[Text]

NZPA Dunedin

The Leader of the Opposition, Mr McLay, has suggested a way for New Zealand and the United States to defuse the Anzus breach.

In a speech to the Otago University extension school in Dunedin, he said each side could back away a little without compromising basic policy.

Mr McLay suggested a "time out" of six months with the Government's nuclear ships ban "on hold."

The United States should have no significant problem if over that period there was no request for a ship visit.

Negotiation

"This would certainly not compromise its non-disclosure policy," he said.

"Such action on both sides might just create a climate that enabled the

negotiation of a compromise of the type that New Zealand Foreign Affairs officials and American diplomats thought they were close to in January this year."

During the "time out" New Zealand could offer to host a meeting of medium-level officials to lay the groundwork for practical future military and political co-operation between Anzus countries.

"It must be conceded it would certainly not be easy for either side to take even one step back from an apparently firm stance," Mr McLay said.

Inflexibility

"But if that does not happen, and both countries maintain their present inflexible positions, there can be little prospect of reconciliation."

Later, Mr McLay said that a National Govern-

ment, in two years' time, would not regard ship visits as the first item on the agenda.

He listed: paying attention to ensuring the appropriate domestic climate; rebuilding confidence in the relationship; re-establishing broken communication; and ensuring trust.

Australia

"One would have to look to Australia as the third treaty partner to help in re-establishing that relationship," he said.

These matters were vital because Anzus no longer existed as it had and the massive Soviet military build-up in the region could not be ignored.

"Nor can we overlook the vulnerability and the delicate economies of the small states in the South Pacific, nor the quickening of interest in the Antarctic."

Lange: McLay's Call 'Staggering'

Wellington THE EVENING POST in English 22 May 85 p 3

[Text]

The Prime Minister, Mr Lange, does not accept that the Association of South-east Asian nations (Asean) will be upset by his decision to bypass its meeting for foreign ministers in July.

The United States Secretary of State, Mr Shultz, is expected to attend, and it was earlier suggested Mr Lange and Mr Shultz might hold a separate meeting to discuss the anti-nuclear/Anzus issue.

However, Mr Lange said today, there was no evidence that Mr Shultz was going to the Asean meeting with the purpose of discussing Anzus.

Fact

In fact, Mr Shultz is going on to talk Anzus in Australia at a meeting to which New Zealand had not been invited, said Mr Lange.

"So I don't see any realistic possibility whatever of having an Anzus round with Mr Shultz at Asean when he's going to Australia to talk Anzus without New Zealand."

Mr Lange said it would be good if Mr Shultz could come on to New Zealand after Australia — "he would be very welcome here."

The Prime Minister said a moment's thought from the people like the Opposi-

tion Leader, Mr McLay, who would be screaming for him (Mr Lange) to make yet another overseas trip, was that as soon as he left, they would be screaming for him to come home.

Disagreed

To the suggestion that Mr Lange would be expected to attend as Minister of Foreign Affairs, and the Asean countries might be upset, Mr Lange disagreed. He had already been around the Asean countries.

Asked why he wasn't going to the meeting, Mr Lange said: "because it's an Asean meeting."

New Zealand is not a member of Asean, but was invited on an observer basis.

He confirmed that the deputy Minister of Foreign Affairs, Mr O'Flynn, or another appropriate minister involved in overseas representation, would certainly attend.

Meanwhile Mr McLay said Mr Lange was turning down an excellent opportunity to do something to heal the rift between New Zealand and the United States, and it was "pitiful" that Mr O'Flynn was reportedly being sent instead.

Mr McLay said that Anzus partners had not held any tripartite talks

since January when the crisis over the treaty developed. New Zealand should lose no opportunity to initiate senior ministerial contact with the US and Australia, either separately or together.

'Insulted'

He said the Australians were "insulted" by Mr Lange's stopover in Australia of only three hours at the end of his African trip. He had got that message "very loud and clear" when he was in Canberra recently.

In further comment today, on the Anzus row between the Government and the Opposition, Mr Lange responded to Mr McLay's call at the Dunedin foreign policy conference for a moratorium on the impasse with the United States.

'Staggered'

Mr Lange said it was staggering Mr McLay should call for such a moratorium, because that was exactly what was happening.

"It's like asking people to speak prose. We are speaking prose." He said he couldn't think of a better word to describe the situation at the moment, adding, "the moratorium" would be indefinite.

Christchurch THE PRESS in English 22 May 85 p 18

[Editorial: "A Way Back to A.N.Z.U.S.?"]

[Text]

Among the most alarming aspects of the Government's anti-nuclear policy has been the rigidity with which it was applied, without regard for consequences. At the time of the General Election, nearly a year ago, the Leader of the Labour Party, Mr Lange, gave assurances that the A.N.Z.U.S. Treaty would continue in force under a Labour Government, in spite of Labour's proposal to ban nuclear-powered ships and nuclear-armed ships and aircraft from New Zealand. Seemingly, then, a degree of compromise would be possible. Instead, the policy has been applied in such a manner that A.N.Z.U.S. is moribund.

Mr Lange, as Prime Minister, maintains that the treaty is still effective. Leaders in both the other member States, Australia and the United States, have described it as "inoperative." For practical purposes, A.N.Z.U.S. has been dead for three months, killed by the Government's preoccupation with keeping all nuclear-powered vessels, and all vessels that might conceivably have nuclear weapons, out of New Zealand ports. The country remains without a coherent defence policy.

Mr Lange might argue that the firmness of the American response to New Zealand's ban must take at least equal blame for the demise of A.N.Z.U.S. Yet what else could the Labour Cabinet have expected? Amid world-wide concerns, the United States could not be expected to take lightly an action by an ally that eroded the foundations of a treaty based on mutual assistance. When the United States is again attempting to negotiate a difficult arms limitation treaty with the Soviet Union, it could not overlook an action by New Zealand that seemed to reduce—if only a little—the strength and cohesion of the Western world. The prospects for lasting nuclear peace in the world have been reduced by New Zealand's ban and it is the United States that must carry the greatest share of the burdens and the risks.

The United States could not give an unequivocal warning of what the outcome of a rigidly-applied Labour Party ban on possible nuclear visitors would be. To have done so

would have been an unacceptable intrusion into the New Zealand election and New Zealand's domestic politics. The Americans were left in the position of being able only to react to events. It should be no surprise that they reacted uncompromisingly when faced with a refusal to compromise. New Zealand would have been equally put out if either of its A.N.Z.U.S. partners forbade visits by New Zealand ships to their ports, for whatever reason.

The rigid attitudes in Washington and Wellington mean that suggestions made at the week-end by the Leader of the Opposition, Mr McLay, have special importance. Mr McLay has proposed a cooling-off period of, perhaps, six months in which neither New Zealand nor the United States would attempt to embarrass the other further. He suggested that the time be used to seek ways in which practical co-operation on defence and other matters could be improved between the members of what was once the A.N.Z.U.S. alliance. Mr McLay made the important point that, while New Zealand and the United States hold strongly opposed positions, little progress can be made; the longer the rigidity persists, the harder it will be to move either side.

The matter does not concern New Zealand alone, nor New Zealand's relations with the United States in isolation. Australia has been caught awkwardly between two of its closest friends. That position might be used to improve communications and trust between New Zealand and the United States; but the Australians cannot act unless the other parties show a readiness to negotiate. The small Pacific Island States to the north of New Zealand have been left without the protection from outside interference that New Zealand's membership of A.N.Z.U.S. once conferred on them. In the last few months, Tonga, Fiji, Papua New Guinea, and Western Samoa have all had visits from American warships. The Soviet Union is showing increasing interest in the region. Where New Zealand's membership of A.N.Z.U.S. once provided a buffer between the islands and the Great Powers, now those

Powers cannot reasonably be expected to stay away. Where one goes, the other will follow.

After the damage done in the Whitlam years in Australia, relations on defence matters and intelligence between the United States and Australia took the best part of a decade to restore. To restore American trust in New Zealand is going to be a slow process. The longer it is left, the harder it will be. In the meantime, the rivalries of nuclear powers are intruding into the very region that the Labour Government's policy was intended to keep apart from the conflicts of the wider world. Bringing sense back to New Zealand's defence policies is too important to be left until after the next General Election, especially as it is an election that Labour might not lose.

Mr Lange cannot be expected to accept readily suggestions on an important policy from his principal political opponent. Nevertheless, the need to rescue something out of the A.N.Z.U.S. fiasco is too important for the question to fall victim political of bickering. Mr McLay has suggested the beginnings of a way out. It should not be beyond Mr Lange's ingenuity to take up the suggestion of a cooling-off period, coupled with exploratory talks with the Americans, and to seem to make these things his own. To go on as he is, pretending that all is well with New Zealand's defence and with its place in the world, is stubbornly to ignore the facts. It is damaging seriously the interests of the country he has been elected to govern.

CSO: 5200/4337

30 July 1985

PHILIPPINES

JUDGES 'DISOWN' RESOLUTION SUPPORTING VER

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 pp 1, 6

[Article by Larry Sipin]

[Text]

Many lower court judges nationwide are set to disown a resolution, purportedly executed by the Trial Judges Association of the Philippines (TJAP) extolling as a "triumph of the rule of law" the exclusion of the fact-finding board testimonies of Gen. Fabian C. Ver and his co-accused accessories as evidence in the Aquino-Galman case.

A confidant of a Metro Manila judge told Malaya that the resolution was never discussed or passed by the judges' association.

The resolution was published in news story form in the June 19 issue of the Bulletin Today. TJAP president and Manila Regional Trial Court Executive Judge Alfredo Cruz claimed that it was a collective statement of the TJAP.

The confidant said the judge would rather not be identified until he has consulted his peers on the possible actions they will take against the resolution.

He said that the judge is "very angry".

over the manner the association was attributed as the source of the resolution because the statements contained therein affect the integrity of all judges.

The confidant quoted the judge as saying, "It is stupid for members of the bench to be praising the Sandiganbayan for issuing the ruling, when they know that the issue is still appealable".

The judge was further quoted as saying that the issue is [words indistinct], and "it is not within the province of a trial judge to determine what is right and wrong in a [word indistinct] pending before another court."

In the BULLETIN story, Cruz was quoted as saying that trial judges came out in full support of the Sandiganbayan ruling.

Aside from describing the ruling as a "triumph of the rule of law," Cruz also said it was "a demonstration of the courage of the Sandiganbayan justices who adhered to the constitution and the rule that a person may not be compelled to testify against himself."

The purported TJAP resolution also urged [word indistinct] "to come out to [word indistinct] of the Sandiganbayan from public [word indistinct] of people whose [word indistinct] are suspect."

The resolution further said "the Sandiganbayan should be commended for its courageous act in upholding the rule of law in the face of public criticism or adverse opinion from certain sectors".

The judge who is spearheading the protest against the resolution was quoted by the confidant as saying that the statements reflect stupidity since there is the implication that the TJAP is acting like the Supreme Court.

"The resolution was the making of a few members of the association and the whole TJAP should not be dragged into owning it", the confidant said.

For commenting on sub judice matters in the Aquino-Galman case, Cruz is now the object of contempt proceedings at the Sandiganbayan. Galman family lawyer Lupino Lazaro, who filed the contempt charge against Cruz, said the statements "reveal the sympathy and affection of the judge for the well-being and eventual acquittal of the military accused in the Aquino-Galman case, specifically Gen. Ver and Maj. Gen. Prospero Olivas.

Lazaro said the statement is "a reflection of the three egos" of the three

justices trying the double murder case, and the possibility is not remote that the mind and judgment of the court might be influenced by it.

The purported TJAP resolution brings to mind a resolution issued by a number of generals and other top-ranking military officers last October professing belief in the innocence of Ver and loyalty to the Chief of Staff. The resolution was subsequently disowned by a number of the alleged signatories, including Customs Commissioner Ramon Farolan.

PHILIPPINES

JUDGE URGES COURTS DEFEND PEOPLE FROM STATE ABUSE

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 pp 1, 6

[Text]

Senior Supreme Court Justice Claudio Teehanke yesterday urged his colleagues in the judiciary to protect citizens against arbitrary and oppressive action of the state.

The judiciary, Teehanke said, "stands between the citizen and the state as a bulwark against executive excesses and misuse or abuse of power".

He said that five years after the lifting of martial law, the country has yet to achieve normalcy largely because of the preoccupation of the government with state security to the detriment of the citizens' birthright of inalienable basic human rights.

Teehanke pointed out that despite the lifting of martial law, the writ of habeas corpus continues to be suspended in the two autonomous regions of Mindanao and in all other places with respect to persons detained for crimes of rebellion, subversion and other

offenses related to national security.

He said the power of the President to order the arrest and detention of anyone without a warrant of arrest continued even after the lifting of martial law through the Presidential Commitment Order (PCO) which is now known as Preventive Detention Action (PDA).

Teehanke also cited the problem of the secret marshalls and summary executions (salvagings) by police agencies as indicators that the country is far from normal and that the constitutional rights of citizens are trampled upon in the name of national security.

Discussing landmark habeas corpus cases which the Supreme Court decided in the martial law and post-martial law years, Teehanke hinted that the Tribunal has been remiss in affirming its independence from the presidency to the detriment of the pro-

tection of the constitutional rights of persons accused of crimes against national security.

He singled out the case of Dr. Aurora Parong who was arrested by the military in N. Vircaya sometime in July 1982 as an example of the weakness of judicial powers ranged against presidential power.

In the Parong case, the High Court ruled that a PCO (now PDA) is "an indefinite detention order that no citizen can question and no court could override."

Teehanke dissented with the majority ruling in the Parong case. He said in his dissenting opinion that "the court stands as a guarantor of the constitutional and human rights of all persons within its jurisdiction and must see to it that such rights are respected and enforced".

In exhorting his peers

to protect the constitutional rights of citizens, Teehanke said "persons detained indefinitely without charges so much so that the detention becomes punitive and not merely preventive in character are entitled to regain their freedom."

He also stressed that "the spirit and letter of our constitution negates as contrary to the basic precepts of human rights and freedom that a person be detained indefinitely without charges".

Teehanke, a staunch defender of human rights, said even in exceptional situations, violation of basic rights cannot be justified. "The state exists for the service of men rather than being the servant of the state... men's fundamental rights should not be sacrificed in the name of state security", he added.

Teehanke likewise said that the government has been brushing aside favorable court decisions on habeas corpus cases. He said that even after an accused who was issued a PDA has been acquitted by the courts, the military refuses to release him on the ground that he cannot be released unless and until the President himself lifts the PDA.

To hold that the court's acquittal of an accused does not entitle him to release from detention until the PDA against him is lifted would be a subordination to the [word indistinct] of the judicial power which is exclusively vested in the judiciary, Teehanke said.

Such cases where there is acquittal but no freedom are meaningless ceremonies, he said.

FOREIGN PARTNERS BUYING OUT LOCAL FIRMS

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 p 7

[Article by Ma. Rosa Ocampo]

[Text]

Many local companies registered with the Board of Investments (BOI) are forced to sell out to foreigners as the only recourse to survive the economic slump.

Industry sources said this gradual "de-Filipinization" of BOI-registered companies largely favor the Japanese who, before the foreign exchange crisis, were merely trading partners and minority stockholders.

Sources said the foreign domination of local industries, particularly those under the BOI specialized programs, resulted mainly from the continued unavailability of dollars with which to import raw material requirements.

Local companies were forced to convert into equity their foreign loans used to import of supplies and spare parts. Sources added that a number of these companies are increasingly depending upon foreign investors for improving their marketing network and

for increasing their export sales.

Of the four surviving companies manufacturing completely-knocked-down (CKD) packs for motorcycles, only Norkis Trading Corp. remains 100 per cent Filipino-owned.

Suzuki Inc., Mariwasa-Honda, and Kawasaki (Philippines) are now Japanese-controlled, sources said.

In Mariwasa's case, Honda increased its ownership of the company to 93.14 per cent by converting its over P50,000 loan into equity.

Moreover, only Solid Corp. has remained 100-per cent Filipino-owned of the 8 manufacturers of consumer electronic products. Solid Corp. manufactures the Sony brand of television with Sony of Japan providing the technology.

While the Filipino equity in Sharp Appliance Corp. is still higher on paper, sources said the company is actually al-

most 100 per cent owned and managed by the Japanese.

Sources added the Japanese have bigger equity than the Filipinos in National Appliance Co. and Precision Electronics.

All the car and truck companies under the progressive manufacturing program have dominant foreign equity. The most recent sellout was in Canlubang Automotive where the Yulos sold all their investments to Japan's Mitsubishi Motors Corp. and Nissho Iwai.

Overall, some 20 local companies have increased their foreign equity under Presidential Decree 1892 which allowed until 1984 the holding of foreign investors up to 100 per cent in BOI-registered enterprises.

Sources said that with or without P.D. 1892, the trend of local companies selling out to foreigners are here to stay as long as there are difficulties in dollar-sourcing.

ECONOMISTS CRITICIZE WORLD BANK POLICY

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 p 7

[Text] TAGAYTAY CITY - Leading Filipino economists have criticized the World Bank (WB) policy recommending the scrapping of agricultural credit subsidies, particularly in Third World countries whose economies differed from the West's "highly organized and highly commercialized" societies.

In a book entitled *Small Farmer Credit Dilemma* launched here today, Agriculture and Food Deputy Minister Orlando Sacay, Executive Director Meliza Agabin of the Technical Board on Agricultural Credit and WB economist Irene E. Tanchoco said the WB premises in imposing such policy were "misleading."

They said the bank's contention that high interest rates generate more savings and thus results in more lending funds here not applicable to the Philippine agriculture sector because most farmers here were consuming sectors and hardly generate savings.

"Savings is a function of income and not of interest rates, while the use of borrowed money is a function of income," they explained.

If the interest rates are high, farmers will borrow from other sources which, in the end, will discourage consumption of savings funds, they added.

This point is proven by the fact that while half of savings in banks are generated in rural areas, half of this amount is transferred to

Manila or other urban centers where there is more demand for funds, they added.

"The rural financial market should be viewed through an entirely different set of lenses than that suggested by a static, perfectly competitive market," the authors said.

"The crucial factor in integrating and developing the rural financial market is the reduction of administrative costs and default risk inherent in small farmer and rural credit through financial innovations," they said.

One such innovation they proposed is the creation of a financial intermediary, as well as credit guarantees and crop insurance schemes designed to lower default risks in small and non-collateralized lending schemes.

WB representative and financial analyst Suliporn Kulrethsiri, who was also present during the launching of the book, commented that "it is not the policy of the World Bank to promote low interest rates, neither does it want to promote high interest rate."

The WB recently released to the Philippines a \$100-million agricultural loan fund which are to be relent at commercial interest rates.

Kulrethsiri said that the bank, in seeking the scrapping of all forms of credit subsidies, is not allowing controls on lending rates but is simply prescribing controls on the rediscounting rate. (PNA)

PHILIPPINES

CSSR FIRM SUES DEVELOPMENT BANK OVER UNPAID BILLS

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 p 7

["Business Views" by Jake Macasaet: "Czech Firm Files Suit Against DBP"]

[Text]

A Czechoslovakian business partnership has filed a civil case against the Development Bank of the Philippines for "sum of money or damages". In Civil Case No. 8590 now pending with Branch 144 of the regional trial court in Makati, Investa Foreign Trade Co. Ltd. sought payment "for the equivalent sum in pesos of \$1,353,650.20 (P25,061,025) representing balance due on the 119 water jet looms" supplied by the company to a local textile firm later foreclosed by the DBP and subsequently sold to a private business group.

Benjamin S. Benito, counsel of the European company, alleged that the textile equipment is covered by a chattel mortgage registered in favor of Investa but was sold to a private company together with other assets by the DBP. The foreclosed textile firm was acquired by the private group for P210.372 million but the DBP failed to pay Investa the value of its equipment.

Records of the case show that Investa sold and delivered the jet looms to the textile company on 17 March 1976 for \$1.83 million. The lawyer alleged that the equipment did not form part of the

collateral used by the owner of the textile firm to secure a loan from the DBP, and therefore the government-owned bank did not have any right to sell the same to the private group.

A spokesman of the DBP, on the other hand, told us that under the sales agreement all claims against the foreclosed company should be for account of the buyer. He also explained that the DBP announced through the newspapers that the foreclosed textile firm would be sold in public bidding but Investa did not do anything to protect its interest.

To this statement, Benito bluntly said that the Czechoslovakian company did not have to do anything regarding the public bidding because the equipment it supplied is mortgaged to it and therefore it has the first lien.

The lawyer said that the textile firm paid a downpayment of 20 per cent in two installments equivalent to \$366,000. Another \$471,325.28 was paid in four drafts from January 1978 up to October 1979.

Under the agreement with the textile firm, the cost of the equipment is to be paid in 10 equal regular installments within a period of five years. The mortgage contract provides that "the interest on the obligation . . . shall be computed at such rate or rates of interest as may from time to time be fixed by the mortgagee (Investa) and shall be payable at the end of every month. . . . and if not so paid, shall be added to and become part of the principal."

The obligation, incurred in March 1976, is now four years overdue. Benito told the court that Investa is under liquidation. Benito's claim for payment of \$1,354,650 does not include the 15 per cent interest on the principal and attorney's fees.

Benito also asked the court to pay his client damages arising from DBP's "unjustified and unlawful taking over possession of the 119 units of water jet looms which are under first mortgage to Investa and for foreclosing the same and consolidating titles in its name . . . and turning over possession and title to a third party."

CSO: 4200/1224

BENGUET TOWN SEEN AS SOCIOECONOMIC MODEL OF INSURGENCY

Quezon City ANG PAHAYAGANG MALAYA in English 24 Jun 85 p 9

[Article by Michael A. Bengwayan]

[Text]

BAKUN, Benguet (DEPTHnews) — Socio-economic conditions in this remote mountain municipality help explain why the country is saddled with an escalating insurgency problem on top of the grave economic crisis.

Three of its 7 villages or barangays are infiltrated by dissidents operating in the Cordillera uplands of North Luzon. The insurgents have not been scared away despite the dispatch of government troops to "secure the town."

There are an estimated 9,800 town residents and 95 per cent of them are poverty-stricken. Majority of the household heads are marginal farmers who till small plots to food crops like rice, rootcrops and vegetables.

There are no roads in the town, only footpaths. Vigorous trekking up and down mountain trails is the only means of communication between the villages.

The town has no public doctor, nurse, midwife or even a social worker. It does not have a source of potable or safe drinking water. In sum, the municipality lacks the basic services which government is supposed to provide its citizens.

Local officials, led by Mayor Nicolas Pulicay, claim they have been incessantly appealing to both provincial and national officials concerned for "small assistance" that would enable their town and its residents to improve their living conditions.

Their pleas still have to draw adequate response but they continue

hoping that the assistance will "come some day."

Mayor Pulicay admits that some of his townmates have become "discouraged" waiting for the hoped-for assistance. It was his tacit way of explaining why the dissidents had been successful in infiltrating three of the villages.

Socio-economic plight of Bakun was detailed to a visiting group of social scientists, agricultural researchers and newsmen led by Dr. Cipriano C. Consolacion of the Mountain State Agricultural College based in La Trinidad, the provincial capital.

The visitors were described by Mayor Pulicay

as the "first team of government workers to visit Bakun in nearly a decade" and asked that the guests make the plight of the town known to all concerned.

Bakun is located deep in the northeast hinterlands of Benguet. It is the fourth biggest municipality of the province occupying a land area of 28,550 hectares. It has the Ilocos Sur towns of Suppo and Allilem as neighbors on the north and east of its borders and Mankayan and Kibungan towns of Benguet

on the west and south.

Mayor Pulicay said the dissidents made their presence in Bakun "strongly felt" last year when they reportedly executed a municipal development officer, a midwife, a village councilman, a pastor and the son of a barangay captain. The killings took place in Kayapa village, one of the three under influence of dissidents.

The mayor claimed that the higher areas of Bakun are under the control of the dissidents although government soldiers have stepped up their patrolling activities in the Benguet-Ilocos Sur boundary.

He said development needs of the town cannot be financed from income of the municipality which is meager due to the poverty of its residents. The only big income taxpayer is a lumber firm which has a timber concession in the Bakun mountain. It pays P1,000 annually.

Pulicay also said that there had been "promises" to build roads for the town, a public vocational school and infusion of agricultural technology. The promises were made by high government officials in La Trinidad and Manila. None has so far materialized.

Crispulo Tandoc, the municipal agricultural officer, said crops raised by Bakun residents are for home consumption although the town has the potential to become a major contributor to the vegetable industry of Benguet.

CSO: 4200/1224

DAVAO GOLDMINE OUTPUT PROFILED

Manila BULLETIN TODAY in English 24 Jun 85 p 14

[Article by Romeo C. Chan]

[Text] MT. DIWATA, Monkayo, Davao del Norte — There seems to be an unending flow of gold in this mining community. The output coming from the 618 tunnels dotting the mountainsides, averages 25 kilos of gold daily.

"This can yield two grams of gold dust," said Eugenio Bualan, a digger as he emerged from one of the tunnels, pointing to a sack half-filled with soil and rock over which he carried on his shoulders.

A gram of gold here costs between P130 and P180 depending on the carat.

Bualan is one of the thousands of gold diggers who brave the harsh atmosphere here to earn a living. He said he belongs to a team of eight persons working on a 12-hour shift digging gold. "If we work doubly hard, each of us can earn as much as P300 a day."

But the big earners here are the financiers of the tunnels and those who own bullmills which are used to grind rock and stones containing gold into granules and powder. A tunnel owner gets one half of the total production of his tunnel while a bull-

mill owner gets at least 10 percent of the produce for the use of his machine. The rest of the income is divided among the diggers and the panners.

At least P6 million changes hands daily from the sale of gold, reports said. In most cases, gold dusts had become the legal tender. With the gold dusts, one can buy anything he wants from any store.

Because of too much money in circulation, the inflation rate in this community has gone up by over 300 percent. For instance, a small-sized bottle of soft-drink here costs P8; a bar of laundry soap P25; and a dozen eggs P45.

People have come in groups from various parts of the country since the discovery of gold deposits in the bowels of this mountain early last year.

Emilio S. Omambat, corporate secretary and acting administrator of

the Monkayo Small Scale Mining Association, which is in charge of regulating the activities of the diggers, said there was a time when the population of this community swelled to 75,000. But many of the treasure hunters had to come down late last year when the rains triggered the collapse of several tunnels that killed more than 150 gold diggers.

YOUNG KBL 'MAVERICKS' URGE PARTY PURGE

Quezon City WE FORUM in English 24 Jun 85 p 3

[Article by Vito Barcelo, Jr]

[Text] Kibang Bagong Lipunan youth leaders and mavericks are pressing the ruling party to rid itself of scoundrels and opportunists, sources said.

Calling themselves reformists, the group is composed mainly of young party leaders who have remained loyal to President Marcos and the First Lady Mrs. Imelda Romualdez Marcos, sources said.

The group is also agitating for a thorough shakeup of the party's national directorate, and regional, provincial, city and municipal chapters.

The group's target are KBL members who joined the organization for selfish personal motives and who have enriched themselves because they have become officials in the government through election or appointment and are a big burden to the honest-to-goodness and well-intentioned members.

One member of the reformist group, who requested anonymity said: "The time for reform and change has come. It is long overdue. The scoundrels and opportunists in the party must be discarded if the KBL flag must continue to fly and survive the 1986 and 1987 elections which are fast approaching."

He said that many KBL party leaders are encouraging the reform movement leaders to

organize regional, provincial and city chapters to compel top leaders to act on their suggestions to institute reforms in the party.

It is said that the reform party movement was started by supporters and followers of Assemblyman Arturo Tolentino when he was ousted from his Cabinet position on a trivial issue.

The group also has links with supporters and loyal followers of labor minister Blas F. Oyle and defense minister Juan Ponce Enrile, sources said.

They said the need for a party reorganization gained momentum after the exposé on the alleged involvement of three sons of a top Manila city hall official.

The reformist group said the uprising in the ruling party must be quelled before the campaign for the 1987 local elections starts.

"If reforms are not instituted soon enough," one member stressed, "we'll see the end of a great vision of President Marcos and consequently endanger his much avowed reelection bid in 1987."

The movement has started to spread in the provinces after gaining headway in Metro Manila where several city and municipal mayors are the target of the reformists.

30 July 1985

PHILIPPINES

MARCOS, 'WEALTHY RANCHERS' HIRE ISRAELI 'MERCENARIES'

Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 5 Apr 85 pp 16-17

[Article by Aryeh Egozi: "Israeli for Hire"]

[Text] Yosi knows almost all the casinos and plush restaurants in Europe. He is also thoroughly familiar with two marinas in the Riviera. He has not participated in games at the roulette tables and has not chosen expensive wines at laden tables at expensive restaurants. But in each of these places someone took care to see that he enjoyed smooth entry, even though it was clear that the suit that he wore was not sewn by a prestige tailor.

Until a year ago, Yosi (an alias) was a soldier in an elite unit in the Israeli army. Training and patrols in Lebanon comprised the backbone of his army routine. The other portions of his military service will not be permitted out by the censor for many years. Hours of backbreaking training turned the shy, average-sized youth into an efficient "war machine."

As his discharge grew near, he enrolled at the university to study economics, but a chance meeting at a Tel Aviv cafe changed his plans. His former commander in the elite unit came over to the table. "I have an interesting proposal," he said.

The next morning, in an office in the commercial center in the southern part of the city, over a cup of coffee in a plastic cup, things became clearer. "We are connected with a security firm in France, and they are looking for good people to work for them."

Assistance with an apartment, a good hourly wage, and plane tickets to the "City of Lights" were big enticements. No agreement was signed. Everything was agreed to with a handshake.

Blue and White

Today, 2 months after that meeting, "Yosi" is a blue and white Israeli export commodity—a part of a growing export industry which is a by-product of the situation in which we live. They do not appear in the Yellow Pages and they do not advertise in the newspapers. As a result of a chance meeting at a cafe, there is sometimes a telephone call inviting you for a friendly

chat with an old acquaintance or with the acquaintance of a friend. Secrecy is one of their tools. But, in spite of this, whoever needs them finds them without difficulty.

They do not always use their real names in telephone calls or in telexes. If someone has a dual citizenship, he turns into a true "find." Israelis are in demand, but the passport bearing a seven-branched candelabra does not always serve well in this special calling.

Outside of Israel they are called "bodyguards." Israelis prefer the term in use in Israel, "security personnel," and there are those who relate to them as "experts in self-defense." Designations aside, there is no doubt that Israelis today occupy one of the most respected positions in the international security business.

Almost no one has heard of the "billionaires club." Even those who are members know that their sole contact with that exclusive "club" is several telephone numbers which they carry with them wherever they go. The "club" was started out of necessity: conventional insurance companies refuse to insure the superwealthy, whose assets total billions of dollars. These--some 80 people--the "club" insures, in exchange for a very high premium. And this on the condition that the insured reports to a special center on every journey--long or short--to destinations labeled "risk destinations."

And here is where the Israelis come in.

When about a month ago a rich German industrialist left his villa near Frankfurt for a resort in France, his wife sat next to him in the front seat of their Mercedes 500. And in the back seat, Yosi. The night before he received instructions from his superior at the "club." For the next 6 days, the young Israeli turned into the shadow of the German industrialist and his wife. Only once was there cause for suspicion: when he noticed a young couple in a shabby commercial vehicle, which trailed the Mercedes at a distance on a side road. Otherwise, the days passed without special incident. No one attempted to kidnap or harm the rich German.

At the same time, but thousands of kilometers from the French resort, other Israelis were involved in a different type of security task. Explaining the mission was simple, but not its execution. The person who took upon himself the task of organizing the protection of Philippine President Ferdinand Marcos knew that there would be need for sophisticated means to prevent an attack on the ruler, who has many enemies. Exactly how the request was referred to Israel, I was unable to ascertain. There are many theories, as is the case in everything regarding personal security matters.

Philippine Ranchers

Mordelhay Rahamin, the former El Al security guard who killed a terrorist at Zurich Airport and who was the late Golda Me'ir's bodyguard, together with a partner, today runs a private investigation office in Tel Aviv.

According to him, in the past he was connected with security affairs outside of the country. As to what goes on today in this regard, he is not prepared to comment. Rahamin says that, according to the best of his knowledge, Israelis today protect the wealthy ranchers in the Philippines. It appears that the reputation of the Israelis reached Marcos' palace and that when he decided to establish a small private army to protect his life, he turned to Israeli security circles and requested their assistance. Another possibility is that the request was made through Israeli concerns which deal in security consulting and in the export of security equipment to African and Asian countries.

The form of the request is not clear, but the rumor spread like wildfire. Soldiers in uniform and reserve soldiers were fired up by news of the proposal. A few of them who went on a "study tour" in the Philippines felt repulsed by the nature of the work, but others were enthusiastic about the high salary and the fringe benefits. Today, even though no Israeli official is willing to comment on the subject, the fact is that Israelis serve in key posts in the personal security force of President Marcos.

In contrast to Israelis who carry out security missions in Europe and who for the most part are prevented from carrying live ammunition, the Israelis in Manila are equipped with the best weapons and support equipment produced in Israel. Automatic weapons such as the "mini Uzi," the miniature version of the famous Israeli submachine gun, Galil rifles intended for snipers, flak jackets, mobile communications units, and night vision equipment all assist in strengthening the protection of the president of the Philippines.

City of Gambling

Beni Tal, the head of a security firm carrying the name "International Security," admits that, in the past, he took on security assignments outside of the country. In my conversation with him, he too would not reveal details, there being no doubt that the subject is sensitive and as a businessman Tal does not want to endanger one of his sources of income. Beni Tal says that Israeli security agents are in demand because of their professional qualifications, but also because of their "naivete and loyalty." Mercenaries--and Israelis working as security agents outside the country are sometimes so called--from other countries are not known for their reliability. "Israelis after discharge from the army display adherence to goals and absolute loyalty, and this of course spurs the demand for them," says Tal. He also tells of an Israeli who carried out security assignments in South America and at least twice escaped by the skin of his teeth when the people he was protecting found themselves on the wrong side of the fence on the day that the revolutionary upheaval broke out.

CSO: 4200/1224

JPRS-SEA-85-116
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PHILIPPINES

TWO MAYORS KILLED, PRIEST KIDNAPPED IN MINDANAO

NPA Suspected in Mayor's Death

HK150330 Manila Far East Broadcasting Company in English 2300 GMT 14 Jul 85

[Text] A town mayor and a soldier were killed early yesterday [14 July] in (Dimataling), Zamboanga Del Sur, in a road ambush believed to have been staged by communists guerrillas. Mayor Rudy Ganub of Tabina Town and an unnamed soldier were shot dead by suspected New People's Army rebels who attacked the mayor and his party while they drove toward a nearby town. A patrolman, a fireman, and Ganub's brother Robinson were also wounded in the ambush.

A Catholic priest, identified as Rodolfo Romano, was reported kidnapped by five armed men outside Cebu City last Thursday. The kidnapping was confirmed only yesterday by officials of the Redemptorist Mission in Cebu City to which the priest belongs. Witnesses said the priest was travelling on Katipunan Road just outside the city limits when five men aboard a car blocked his way and forced him to go with them at gunpoint. The kidnapped priest was reported active in human rights.

Another Mayor Killed

HK121144 Quezon City Maharlika Broadcasting System in English 1100 GMT 12 Jul 85

[Text] A lone gunman shot to death this morning the town mayor of Mabuhay in Zamboanga Del Sur. The incident took place inside a beauty parlor around S.S. Bahadas Avenue in Pagadian City. The slain town executive was identified as Simplicio (Arnol) of Mabuhay Town off [words indistinct] on Olutanga Island, 3 hours by pumpboat, which is southeast of the capital at Pagadian.

Church Accuses Military of Kidnap

HK140736 Hong Kong AFP in English 0457 GMT 14 Jul 85

[Text] Cebu, Philippines, July 14 (AFP)--The Roman Catholic Church in this central city has accused the military of abducting a militant priest and demanded his immediate release.

Father Rudy Romano, 44, was "forced into a government vehicle by armed men coming from the military" Thursday, his vice provincial superior Father Louie Hechanova said in a statement read to the press yesterday.

He said Father Romano, deputy head for the central Philippines of the militant Bayan alliance, was abducted at a road on Labangon District by armed men in a white car which had government license plates.

The military denied the accusations. Brigadier General Renato Ecarma, the military chief in the region, told Father Hechanova it was the first time that he had heard the priest was missing, and promised to investigate his disappearance.

Bayan, which is leading anti-government protests here, issued a statement denouncing the priest's "kidnapping." There has evolved "a pattern where Bayan leaders in other provinces are being harassed by the military," it said.

Five priests accused of involvement in the communist underground are currently detained in military jails across the country. Their imprisonment has strained church-government relations in this largely Roman Catholic nation.

Two other officials of Bayan, including the vice president for the southern Philippines, are in jail for leading a transport strike in Mindanao Island last May which the military said was organized by communists.

Government Responds by Troop Increase

HK171451 Manila METRO MANILA TIMES in English 16 Jul 85 pp 1, 5

[By Arnold Atadero]

[Text] Southern Command (Southcom) authorities yesterday deployed more troops in the outlying areas of the Zamboanga peninsula after the killing of two town mayors since Friday.

The move followed a directive from Lt Gen Fidel V. Ramos, acting AFP chief of staff, to Maj Gen Delfin Castro, Southcom chief, to field additional government troops to check the increasing atrocities committed by the New People's Army (NPA) in the peninsula.

The latest victim of NPA "killer squads" was Mayor Rodolfo Ganub of Tabina, Zamboanga del Sur.

Also killed with Ganub was a security escort. Three others, all policemen, were seriously wounded when the NPA ambushed the mayor near the Balangan Bridge, Dimataling town, at 6 AM last Sunday.

The mayor was fatally hit in the heart, the local PC [Philippines Constabulary] said.

As news of the mayor's liquidation spread in the province, another ambush was reported. The victims this time were 12 members of a Philippine Air Force (PAF) engineer team, a non-combatant unit.

There were no immediate reports of fatalities, although the military initially said the 12 engineers were wounded.

Ganub was the second Zamboanga del Sur town mayor to be killed in less than 48 hours.

Last Friday, Mayor Simplicio Arnon of Mabuhay was shot dead inside a beauty shop in Pagadian City.

Last March 26, Mayor Guillermo Calibo of Dimataling and his 3-year-old son were also gunned down by NPA terrorists.

CSO; 5600/4363

COMMENTATOR ATTACKS PRIESTS FOR PULPIT POLITICS

HK160421 Quezon City Maharlika Broadcasting System in English 0100 GMT 16 July 85

["Analysis of the News" by Teodoro Valencia]

[Text] Last Saturday, a very prominent foreign priest who used to deliver political sermons in a Makati church announced that he was not delivering a sermon because some people in the congregation might not like it. And you know what happened? The entire congregation stood up and gave him a resounding standing ovation, and I am sure that this priest was surprised to find out that his sermons were never popular in the first place.

The truth must be told that many of the priests are taking advantage of the Mass to put across their political ideas. In other words, they are rebels, but they give no respect for the sacredness of the Mass. We were taught when we were children that the Mass is sacred, but obviously the modern priests, the priests of today are using the Mass for their own personal political purposes. Well, is there anything sacred left in this world then?

(?Actually), many people believe that if the priests themselves do not respect the Mass and would like to use the Mass for their own private purposes, then nobody should go to church in the first place because what's the use? You go to church, you get out angry and you hate the very man who preaches the word of God inside that [word indistinct] church. I think there has been a complete misrepresentation of the issue of whether or not priests should participate in activist mass actions or preach respect for human rights, human dignity, and justice. Nobody can stop a priest and nobody should discourage a priest if he wants to take leadership in the fight for human rights, fair play, justice, honesty, and integrity in the public service. But he should confine his activities to before the Mass or after the Mass, but not during.

There are 24 hours a day and there are 7 days a week. The requirement to go to church once a week is only one hour of 7 times 24. Is it not possible for a priest who preaches the sanctity of the Mass to respect it, to say a Mass without partisan political themes? Obviously many priests are taking advantage of their priestly (?agreements) to get away with something (?putrid). They use the church for their political purposes.

I think I have a (?big respect) for these priests, these seminarians, these nuns who march in mass demonstrations, or for priests who take up arms and go to the hills to join the New People's Army. These people are honest, but not the priests who choose to remain in their churches using the Mass to propagate their ideas, to gain popularity, to be written about in newspapers. I think the biggest enemies of the Catholic Church are the priests who do not respect the Mass, and they are the best agents for rival religions who today are bursting with new members, thanks to the priests who do not know their proper role in the community.

CSO: 4200/1229

30 July 1985

PHILIPPINES

VALENCIA RAPS CONSTABULARY OVER THEFT OF RIFLES

HK130646 Quezon City Maharlika Broadcasting System in English 0100 GMT 13 Jul 85

["Analysis of the News" By Teodoro Valencia]

[Text] A Philippine Constabulary armory sergeant was thrown into the stockade following the discovery that 43 Armalite rifles were missing from the armory of Camp Crame. The sergeant was detained in the stockade on the orders of General Ramos.

You know, in the matter of these 43 missing rifles, the loss was not so much the 43 rifles as the reputation of the Philippine Constabulary. Can you imagine that 43 rifles can be stolen right under the very noses of so many armed guards of the Philippine Constabulary? Camp Crame, for the information of [words indistinct], is the headquarters of the Philippine Constabulary.

There were 90 missing Armalites somewhere in Mindanao, in another place 140, but this did not elicit so much comment as the loss of 43 rifles right under the very noses of the Philippine Constabulary hierarchy, and the chief of staff, no less. This is something quite embarrassing. No wonder that General Ramos was very angry. He had reason to be. Because if the rifles can be stolen from under the very noses of the chiefs of the Philippine Army, the Philippine Constabulary, then is it any wonder that some of these rifles are missing from Basilan, from Zamboanga, and other places?

You know what happens is that some people in the armed forces who are in charge of these rifles are selling them, perhaps not directly to the New People's Army, but eventually, where will such weapons then go except to the enemies of the Philippine Government? If you are in the Armed Forces of the Philippines, you don't have to steal anything to have arms, you will be provided. But if you are a rebel, you have to steal firearms or buy them, and I think they are buying them from the headquarters of the Philippine Constabulary.

CSO: 4200/1229

30 July 1985

PHILIPPINES

TROOPS ARREST 45 STUDENT LEADERS IN DAVAO CITY

HK151556 Hong Kong AFP in English 1551 GMT 15 Jul 85

[Text] Manila, July 15 (AFP)--Government troops today arrested 45 student leaders participating in a conference of the militant League of Filipino Students (LFS) in the southern Philippine city of Davao, the LFS national chairman said.

LFS National Chairman Carmelo Arreza said initial reports showed that 45 student leaders from several schools in the southern island of Mindanao were detained by some 50 government troops who raided the LFS southern conference in a Catholic retreat house.

The church-backed Task Force Detainees of the Philippines (TFDP) confirmed the mass arrest of student leaders who were later brought to the military headquarters for questioning, he said.

Mr Arreza told AGENCE FRNACE-PRESSE that the mass arrest was the military's "desperate attempt" to prevent a student strike planned for July 24 and 25.

The strike is to protest an alleged militarization of several schools and villages on the island which had triggered a rash of violence.

Mr Arreza said that the latest in a series of violent incidents was the killing of a militant youth group chairman in Davao City last month.

Militant student groups led by the LFS in at least 45 universities and colleges in the island are expected to participate in the student strike, Mr Arreza said.

If the military authorities were angered, it was because the student leaders were openly practicing their democratic rights," Mr Arreza said. [Quotation marks as received]

The authorities have noted that Davao, some 950 kilometers (594 miles) from Manila, has become the New People's Army (NPA) "text area" for its urban guerrilla warfare.

The 12,000-strong NPA, the military arm of the outlawed Communist Party of the Philippines (CPP), has intensified its urban guerrilla campaign in recent months.

A military spokesman here said the authorities had no information on the alleged arrests and were unable to comment on them.

CSO: 4200/1229

PHILIPPINES

BRIEFS

UNIVERSITY PROTEST RALLY VIOLENCE--Some 20 students were injured yesterday [12 July] when violence erupted in a protest rally against tuition increases at the Far Eastern University Campus. Violence broke out when university security police tried to disperse the rallyists. The clash at the university broke out before a tension-filled demonstration by some 2,000 students at the corner of Mendiola and Ligarda. The protest actions yesterday launched a series of student demonstrations aimed particularly against tuition fee hikes. The rallies are being led by several student groups including the League of Filipino Students, the College Editors Guild, and Aakabayan. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 12 Jul 85 HK]

NPA ATTACKS LAGUNA POLICE STATION--Six NPA raiders attacked the police station at Nagcarlan Town Hall in Laguna last Sunday. They fled with six armalite rifles and 120 rounds of ammunition. The leader of the NPA raiders was identified as Paterno Portes. The NPA men disarmed a policeman and were able to escape before troops summoned from a nearby detachment arrived. The guerrillas escaped separately aboard several vehicles. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 15 Jul 85 HK]

NPA AMBUSHES AIRFORCE TEAM--Fifteen members of an airforce civic action team were wounded when NPA men ambushed their vehicles in Kumalarang, Zamboanga del Sur. The airforce personnel were on their way to repair a damaged schoolroom when attacked. The airmen fought off the attackers and well believed to have wounded some of the NPA men. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 16 Jul 85 HK]

CSO: 4200/1229

THAILAND

SHULTZ POSITION ON ASEAN PLAN WELCOMED

BK130418 Bangkok THE NATION in English 13 Jul 85 p 4

[Editorial: "Shultz's Understanding of ASEAN Stand Is Welcome"]

[Text] The initial reservations of the United States and Japan about the proximity talks proposed by ASEAN is quite understandable. But it is welcome that U.S. Secretary of State George Shultz should change his mind and give U.S. support to this new idea after being assured that this would not mean a de facto recognition of the Heng Samrin regime installed in Phnom Penh by the Vietnamese. If nothing else, this shows that the Americans are weighing very carefully the pros and cons of various approaches to the Kampuchean conflict--something that had little importance in the U.S. sometime ago.

At best, we have considered proximity talks a nebulous approach to a political resolution of the Kampuchean problem. It is rather difficult to imagine conflicting parties, which refuse to meet across the negotiating table, agreeing to something through an intermediary. China must have had the same reservations when it was put forward in Beijing about two weeks ago by Foreign Minister Sitthi Sawetsila. However, she did suggest a minor modification which ASEAN accepted.

Hanoi rejected the idea out of hand even before ASEAN had finalized the proposal but something new has turned up. Malaysian Foreign Minister Ahmad Rithauddeen told a conference session that Vietnamese Ambassador Nguyen Can in Kuala Lumpur had sought clarification of the peace plan and told that the Vietnamese Foreign Ministry had not formally rejected it. Whether this is just a ploy to influence the conference and talks with dialogue partners is of course not known.

Calling the proximity talks a new element in the equation, Shultz said: "Many interests are involved, particularly those of Thailand, the frontline state." The U.S. has shown this concern and has increased military aid to Thailand from \$39 million to \$107 million during the past four years. In the recent foreign aid bill approved by the U.S. Congress the non-communist factions of the Khmer resistance forces will get \$10 million aid in various forms--the House of Representatives had proposed only \$5 million.

All of this goes to show that Washington is showing steadily greater interest in the conflict in Kampuchea. Shultz also flatly denied that the U.S. will open diplomatic relations with Vietnam, saying that such a move will be considered only after the Vietnamese troops are pulled out of Kampuchea. He said a U.S. office may be opened in Hanoi, manned by technical experts, for the sole purpose of getting more action on Americans missing in action during the Vietnam war. That, he clarified, should not be confused with diplomatic ties.

It is heartening also to hear Shultz say that U.S. would back ASEAN's policy of political, economic and military pressure on Vietnam. Actually, China has more to do with the military side than ASEAN and, as for the economic factor, it was Beijing that first talked about Vietnam 'bleeding white.' But the Vietnamese have been on a war-footing for so many decades, that the present generation will not understand how to live in peace. Further, much of Vietnamese economic viability and military efforts depend on the largess from the Soviet Union, which has up to now kept that country at the survival level.

CSO: 4200/1235

THAILAND

CAMBODIA SOLUTION 'PURSUED RELENTLESSLY'

BK090241 Bangkok THE NATION in English 9 Jul 85 p 4

[Editorial: "Hanoi Again Resurrects the 'Pol Pot' Syndrome"]

[Text] As ASEAN foreign ministers in Kuala Lumpur are pushing on with another variation of a political solution to the Kampuchean problem and U.S. Secretary of State George Shultz was meeting, in Bangkok, a delegation of the tripartite Coalition Government of Democratic Kampuchea, Hanoi became unabashedly uppity. It had previously rejected the possibility of holding 'proximity' talks, and now it has demanded the end of Chinese aid to the resistance forces and the liquidation of Pol Pot.

Vietnamese Foreign Minister Nguyen Co Thach obviously relented and explained 'liquidation' as not exactly killing but that Pol Pot should be sent to Peking or Bangkok or Spandau (the prison where the only World War II criminal, Rudolph Hess, is incarcerated). Nobody in the world we know of has failed to condemn Pol Pot but this condemnation is valid if it comes only from people with clean hands--something which the members of the Politburo in Hanoi do not have. They have killed (South) Vietnamese, French, Americans, Laotians and Kampuchians. Pol Pot is execrable but he does not match the authorities in Hanoi.

But that is a negative line of thinking best suited to communist logic. But what ASEAN foreign ministers are doing now is to arrive at some positive conclusion to the tragedy which Vietnam has heaped on the Kampuchean people. It has been obvious for a long time that Vietnam is totally uninterested in a political solution since she has thumbed her nose at five consecutive UN General Assembly decisions which by a big majority condemned the presence of Vietnamese troops in Kampuchea.

China is the only country which, right from the beginning, said that Vietnam will understand only the language of bullets and not that of diplomacy. Nor, it was said, will Hanoi respect world opinion. But, however right this assessment of the Kampuchean situation may be, ASEAN must leave no stone unturned to bring about negotiations and finally peace to tortured Kampuchea so that Kampuchians can choose their own government.

Steadily the United States has shown more interest in the Kampuchean conflict and there is already a resolution passed by the House of Representatives in Washington to give a token aid of \$5 million to the noncommunist resistance forces of Kampuchea. And here in Bangkok, Shultz has accentuated the negative by saying that Vietnam is a master at creating a lot of presumed diplomatic activity and then in the end having it turn out without any substance.

We are confident that the ASEAN foreign ministers will come up with some very positive suggestions and we are equally confident that Hanoi will either reject them or will twist them to suit her occupation of Kampuchea. But still the ASEAN foreign ministers would not have labored in vain. Just like the arms limitation talks in Geneva, the process of working towards peace may prove frustrating but both in a global and regional sense that effect must be pursued relentlessly.

CSO: 4200/1235

THAILAND

SIHANOUK TERMS HIMSELF 'RESIGNED TO DEFEAT'

BK110133 Bangkok THE NATION in English 11 Jul 85 p 4

[Editorial: "Sihanouk's pessimism only relates to the battlefield"]

[Text] Prince Norodom Sihanouk, President of the Coalition Government of Democratic Kampuchea (CGDK), has often been described as 'mercurial'-- a word capable of many interpretations. But let us just call him moody and it appears as if he is passing through a period of mental depression when he said in Beijing that he was resigned to defeat in the war against Vietnam. But he did qualify that statement that his resistance forces (ANS) would fight on in the hopes the Soviet Union, China and Vietnam decide to resolve the impasse.

Sihanouk's timing in expressing his pessimism was wrong because, on the same day, the ASEAN foreign ministers concluding their conference in Kuala Lumpur said that the leadership of Prince Sihanouk in CGDK was "important and crucial". They were obviously not referring to the military might of his ANS but to his international prestige and his reputation as a neutralist. Apart from this, Sihanouk is the most-loved leader of the Khmer people.

But actually what Sihanouk said is not as pessimistic as it appears at first sight because ASEAN itself has never committed itself to military victory by the resistance forces nor to a teaching of a 'second lesson' by China but has consistently and vigorously pushed for a political settlement. Naturally ASEAN has chosen the biggest world forum of all, the UN General Assembly, while not ignoring smaller ones like the non-aligned grouping.

But a settlement could also be reached, as Sihanouk himself says, by an understanding between the powers involved--China, Soviet Union and Vietnam. There has been very strong evidence of Sino-Soviet rapprochement during the past year and the evidence has only increased ever since Mikhail Gorbachev took over as General Secretary of the Communist Party of the Soviet Union. Le Duan, Gorbachev's Vietnamese counterpart, recently visited him and right now one of China's four deputy prime ministers, Yao Yilin, is in Moscow.

Yao is the highest ranking Chinese to visit Moscow in 25 years and it certainly gives credence to a gradual thawing in the long-frozen relationship between the communist giants. It has also been reported that Gorbachev gives high priority to the resumption of friendly relations between the two countries. Kremlinologists have noted the rather cool reception given to Le Duan but have not yet analyzed the reception given to Yao.

One of China's three unalterable preconditions is that the Soviet Union must halt the military aid to Vietnam enabling its colonization of Kampuchea and, of course, nobody knows how Yao will present the format for improving relations while he has discussions in Moscow. China has made a big concession to the Soviet Union in that she has said that Beijing will have no objection to a Soviet military complex in Cam Ranh Bay.

But while Sino-Soviet talks may have a major impact on the Kampuchean situation, the guerrilla war goes on as Sihanouk, despite his pessimism. There have been hit and run raids not only along the border area but also in the environs of Phnom Penh. But, as ASEAN and other countries of the world, except Vietnam, wish, it is better to have a political solution than a military one. How that political solution comes about and what group of countries play the leading role are not important.

CSO: 4200/1235

THAILAND

KAREN REFUGEES FLEE IN BORDER BATTLES

BK151531 Bangkok BANGKOK WORLD in English 15 Jul 85 p 2

[Text] Mae Sot--More Karen refugees are streaming into Tak Province from Burma and many of them are sick with malaria and dysentery, a French medical doctor at the border said this morning.

Dr Francois of Medicins Sans Frontiers (MSF) said that there were now about 15,000 Karen refugees living in the Thai border area of Tak Province.

The Karen exodus into Thailand continues because of the ongoing battles between Karen rebels and Burmese forces close to Thai border, he said.

Dr Francois said that 17 Karen refugees died of dysentery last month, while this month, 3 of them died of malaria and about 20 Karen children are still suffering from malnutrition.

Dr Francois also expressed concern over the displaced Mons at the Three Pagoda Pass, opposite Kanchanaburi Province, whom he visited two months ago.

Visitors at the Three Pagoda Pass recently reported that Burmese forces have blocked all main routes between the Pass to other towns inside Burma.

The influx of several thousands of Mon civilians into Thailand, according to the report, can take place at anytime in the event of a Burmese Military offensive into the Pass.

The Burmese forces are stationed only about 70 kilometers from the Pass, it was reported.

CSO: 4200/1235

THAILAND

'NEW KHMER ROUGE FLEXIBILITY' VIEWED

BK170101 Bangkok THE NATION in English 17 Jul 85 p 4

[Editorial: "Did China Influence New Khmer Rouge Flexibility?"]

[Text] The Khmer Rouge statement that they are not hoping to seize full control of Kampuchea in case the Vietnamese agree to a political settlement and that they will be prepared to take part in an elected government which may include the Heng Samrin faction, gives the first impression of a neat propaganda effort to give the ASEAN foreign ministers conference, just ended in Kuala Lumpur, a boost. And then the question comes up as to how far the leaders of the Khmer Rouge can be trusted and whether they will stick to that statement considering they are the most powerful anti-Vietnamese fighting force in Kampuchea.

But the Khmer Rouge, even during their genocidal rule over Kampuchea, came under the wing of the Chinese and have continued to remain so because the bulk of military aid from Peking goes to them. It would be extremely difficult for us to believe that any such important statement could have been made by the Khmer Rouge leaders without the consent of China. Further, it has often been speculated that the Khmer Rouge broadcasting station is situated in southern China.

Whatever the importance we may attach to the show of flexibility by the Khmer Rouge, the timing cannot be faulted. Not only did the statement follow hard on the heels of the ASEAN foreign ministers meeting and the proposal for proximity talks, it also came at the end of Chinese Deputy Prime Minister Yao Yilin's visit to Moscow; Yao was the highest ranking Chinese official to set foot in Soviet Union in quarter of a century.

A Soviet Foreign Ministry spokesman, in a surprisingly frank statement, said that the Sino-Soviet Normalization talks floundered on the three Chinese preconditions which included the Vietnamese colonization of Kampuchea. But we do not know anything more about the talks which Yao had in Moscow. As a matter of pure speculation, it is possible that Moscow could have told him that they will consider a political settlement in Kampuchea if the Khmer Rouge were disbanded--a possibility which China would have rejected out of hand.

And if this had happened--a not too far-fetched possibility--China may have decided that it is high time that she also show flexibility through the Khmer Rouge. Since the statement comes from the Khmer Rouge, China can dissociate herself from it. It has been said that the Khmer Rouge statement was just posturing, giving a powerful boost to the Kuala Lumpur meeting, because of the forthcoming UN General Assembly meeting which will, for the sixth time, debate and vote on the Kampuchean issue. We do not subscribe to it because ASEAN and friends of the members of that organization, have a greater pull in gathering votes and there is little doubt as to which way the voting will go.

But even while taking an unprecedented flexible attitude, the Khmer Rouge have stuck to the stand that Pol Pot will not be ousted--one of the conditions of the Vietnamese. Pol Pot of course stands condemned in the eyes of the world for the genocide for which he was responsible while in power. But nobody has questioned the fact that he was and is a top-class guerrilla leader and has been a thorn in the side of the Vietnamese troops in Kampuchea. By accepting Prince Norodom Sihanouk as the future President of Kampuchea, if a political solution is found, the Khmer Rouge seem to be saying that Pol Pot will go after the guerrilla war has ended. Sihanouk will never accept by his side a man who put him under house arrest and killed several of his children and grandchildren.

CSO: 4200/1235

THAILAND

ASEAN-EEC ECONOMIC MINISTERS TO MEET IN BANGKOK

BK180030 Bangkok THE NATION in English 18 Jul 85 pp 1, 2

[Excerpt] Economic Ministers from the six ASEAN countries and 12 members of the European Community (EC) will hold the first conference of its kind in Bangkok 17-18 October as a senior EC official based here declared yesterday that Western Europe is determined to launch efforts to "stem the trend of EC's losing its investment position in ASEAN to Japan and the United States."

"The upcoming meeting of economic ministers from ASEAN and EC will be the first of its kind. It is also the very first time that the Community is engaged in such a meeting with any country or group of countries," said John Hansen, head of the Bangkok-based delegation of the Commission of the European Communities for Southeast Asia.

He said: "We are confident that the October meeting will mean a large jump forward in the cooperation between the Community on the one side and Thailand and other ASEAN countries on the other."

Hansen was speaking at a luncheon organized by the Association of Old Continental Europe Students under Royal Patronage at Erawan Hotel on "European Community and Thailand Relations, Present and Future."

The Commission of the European Community (EC) is determined to stem the trend of losing its position in the investment side to Japan and the United States in Thailand and ASEAN, he said.

"On the investment side, the European Community is still keeping its position as No 2 after Japan but we are aware that we in Thailand, as in the rest of the ASEAN countries, are slowly and relatively losing out to both Japan and the United States. We have sought to stem the trend and arouse more interest in the potential of Southeast Asia among our industrialists, inter alia, by organizing industrial conferences such as the one in Kuala Lumpur in 1984 and the one that will take place in Manila this autumn--and through the establishment of the ASEAN-EC Business Council," said Hansen.

Hansen said he could see signs of EC's efforts bearing fruits "and we have great expectations over the meeting which will be held here in Bangkok 17-18 October between the 6 ASEAN and 12 EC ministers in charge of economic affairs in their respective governments," he said.

Hansen said Thailand's trade with the EC accounts at present for about 16 percent of her total foreign trade and is only second in importance to that of Japan.

"But contrary to Thailand's position with Japan and most of the other main trading partners, the Community is running a sizeable trade deficit with Thailand and has been so for the last decade," he said.

He said while Thailand has an overall trade deficit in 1984 in the order of about 70 billion baht, of which Japan accounted for 70 percent, the surplus with the Community was about 6.5 billion baht.

He noted that the basic reason for the Thai trade surplus with EC is the tapioca exports which grew from an insignificant quantity of about 200,000 tons in 1969 to a peak of seven million tons in 1978.

CSO: 4200/1235

THAILAND

KHUKRIT CONFIDENT OF ELECTORAL MOTION APPROVAL

BK030741 Bangkok THE NATION in English 3 Jul 85 p 3

[Text] The Senate whips yesterday shifted its stance to endorse the Constitution amendment motion proposed by M. R. Khukrit Pramot.

The Government-Senate Coordinating Committee which is chaired by Deputy Prime Minister Gen Prachuap Suntharangkun overwhelmingly decided to support Khukrit's motion calling for the change of the electoral system from the present province-wide constituency and a single party ticket to the multiple constituencies with individual candidacy in the second and final readings, said a source in the committee.

The source said the decision was made in accordance with the preference of the majority of the House for the multiple constituencies and individual candidacy voting pattern.

Moreover, the system, which a province is divided into constituencies with three MPs representing each of them, has been used since 1975 and voters are already familiar with it, the source said.

The multiple constituencies with individual candidacy system had proved to be effective in promoting a strong party system, according to the source.

The move is considered to be the major boost for Khukrit's amendment motion which might increase its chances of winning the approval of the Parliament in the second and the final readings.

The committee last month voiced its support for the so-called "one man, one vote" polling system, in which a constituency is represented by an MP, proposed by Minister Attached to the Prime Minister's Office Michai Ruchuphan.

But Michai late last month decided to withdraw his reservation to debate his proposal in the second reading in order to ease the tension in the Parliament resulting from the conflicting views among assemblymen on the electoral issue.

However, several parliamentarians including Sen Amon Raksasat and Democrat MP Suthat Ngoenmun (Ubon Ratchathani) still retain their reserved rights to debate in support of the "one man, one vote" voting system.

The Parliament is scheduled to debate the Constitution amendment motion in the second reading this Friday with the final reading on 22 July.

CSO: 4200/1235

30 July 1985

THAILAND

POLITICAL BACKGROUND OF ELECTORAL BILL VIEWED

BKL40754 Bangkok THE NATION in English 14 Jul 85 p 10

[Text] Armed with the blessing of Prime Minister Prem Tinsulanon, the Social Action Party (SAP) has finally mustered sufficient votes for the passage of its bill calling for the return of the electoral system of multiple constituencies and individual candidacy, in the final reading scheduled for 22 July. The outcome of the intense behind-the-scenes lobbying, in effect, quashed speculations, and probably concerns as well, over a possible house dissolution that may arise from the rejection of the bill.

The result of the lobbying was reported in a closed-door meeting of SAP cabinet members, including Deputy Prime Minister Buntheng Thongsawat, minister of the PM's office Sawat Khamprakot, and Deputy Interior Minister Ophat Phonlasin, at an undisclosed venue last Tuesday. As against the required simple majority vote of 284 from the two houses, the SAP ministers summed up the figures of MPs and senators pledging unwavering support for the bill to 312 and concluded that the bill would certainly win approval in the final reading. The break-down of the minimum number of advocates are: 85 from SAP, 35 from Democrat Party, 30 from Prachakon Thai, 35 from Chat Thai, 12 from Siam Democracy Party (SDP) of Col Phon Roengprasoetwit, 5 from splinter political parties and 100 others from the senate.

Many political leaders, including SAP leader M. R. Khukrit Pramot, SAP deputy leader Buntheng Thongsawat, and democrat leader Phichai Rattakun, also expressed confidence over the passage of the bill. SAP secretary general Phong Sarasin said he sees no problem over the issues and Prime Minister Prem as well as Deputy Prime Minister Gen Prachuat Suntharangkun were also said to be assured of its passage, according to insiders.

It is still not clear how and when the premier's backing for the SAP bill was given. However, insiders said that the blessing was actually given some time between the passage of the bill in the first reading and the endorsement in the second reading on 5 July.

The sources said the premier let his either tactic or gentleman's agreement with SAP leader M. R. Khukrit be known to his "military followers" and the "followers based at the PM's office" slightly before the joint sitting of the houses to debate on the bill in the second reading. As a result, a group of civilian senators who had strongly advocated the proposal for the so-called one-man, one-vote system in which only one MP will be elected from a small constituency, just a few days before the joint sitting, back down.

Minister of the PM's office Kramon Thoongthammachat publicly gave the first hint over the matter with a statement that whatever will result from the proposal from the one-man, one-vote system, the SAP bill would anyway win approval in the final reading. Then, minister of the PM's office Michai Ruchauphan withdrew his request, made in the process of the scrutiny committee, for a debate on the proposal in the second-reading session. As a result, the bill won approval with more than 300 votes.

Earlier, the instruction from the premier to senators is in general terms: follow the majority view. The premier's latest wish, if not unofficial instruction, however, is to support the electoral system of multiple constituencies and individual candidacy. Officially, however, government leaders said that the government had no position over the matter which would be left to the houses to decide on their own.

Insiders said they believed that the latest agreement between the premier and the biggest coalition partner reflected the premier's concern over SAP's sensitivity over the matter. SAP considers the passage of the bill as directly involving its future after the next general elections in 1987. SAP leaders have come to a conclusion that the present electoral system which requires the electorate in province-wide constituencies to cast ballots for candidates on the party basis would give opposition Chat Thai Party and Democrat Party, probably the only coalition partner which has gained popularity from its affiliation with the government, an edge over the other parties, SAP included. "The point is that the premier would like to see the house and government accomplish the term," an insider said.

It is this rationale that has given rise to speculations that SAP leader M. R. Khukrit could be upset by a rejection of the bill, so much that he could rock the boat by instructing his party MPs to block the passage of the government-sponsored budget bill, given his surprise but restrained attack on the budget bill during the debate on 3 July. The speculations, however, were dismissed as groundless by the SAP leader in an address at the National Institute of Development Administration last Wednesday, one day after the conclusion of the results of the SAP lobby with all political quarters. "Even if the SAP bill was rejected, we will support the budget bill," M. R. Khukrit declared. He went on to quash speculations over a House dissolution,

saying that no MPs were now ready for snap general elections--and that was probably a key factor of the SAP success in garnering enough support for the passage of the bill in the final reading.

The speculations also resulted from a row between Chat Thai Party and SAP which voted against two Chat Thai leaders, party secretary general BANHAN Sinlapa-acha and deputy party leader Dr Anuwat Watthanaphongsiri, nominated as members of the House committee to scrutinize the budget bill on 3 July. The public stand of certain military senators against the system of multiple constituencies and individual candidacy also fuelled the speculations.

In the first case, Chat Thai vowed that it would try to thwart the SAP bill as against its initial stand for party MPs to exercise their vote over the issue on their free will. The most prominent military senator who opposed the bill, in the latter case, was First Army Region Commander Lt Gen Phichit Kunlawanit.

However, SAP sources said that despite the row with Chat Thai, many Chat Thai MPs wanted the system of multiple constituencies and individual candidacy, which is the key to their success in the next general elections and as a result, at least 35 Chat Thai MPs had pledged to SAP that they would vote for the passage of the bill.

SAP and government sources also said that a SAP figure had approached Lt Gen Phichit who indicated that he would not oppose the SAP bill. But Lt Gen Phichit denied having made a commitment that he would "comply with the premier's wish" over the issue.

In any case, political pundits believe that most senators would abide by the premier's wish. After all, if the Houses were dissolved, nobody is going to be quite sure that the senators would be re-appointed or replaced after snap general elections, one political observer pointed out. Assistant Army Commander-in-Chief Gen Mana Rattanakoset also said that senators still backed the government.

The jitters over the issue had earlier involved the stand of the southern faction in Democrat Party, according to some reports which said that this wing did not want a change to the system of multiple constituencies and individual basis because with the present system still in force in the next general elections, the faction will have a high chance of emerging as a big party along with Chat Thai, which some Democrats have viewed as a prospective partner in a new coalition government after the general polls.

SAP sources, however, said that the party had approached Bhichai who pledged that out of 59 Democrats about 50 would vote for the bill. A minister of the PM's Office and a Democrat executive also assured, in an interview with THE NATION that his grouping would abide by the party resolution to back the SAP bill, although the wing preferred the system of voting on the party basis, be it small or large constituencies.

CSO: 4200/1235

THAILAND

SIX ARRESTED OVER CHAMOI CHIT FUND CASE

BK181039 Bangkok BANGKOK WORLD in English 18 Jul 85 p 1

[Text] Police this morning arrested six more persons on charges of allegedly collaborating with Mae Chamoi in cheating the people over the controversial multi-billion baht chit fund business.

The first-round of arrests was ordered by Crime Supression Division (CSD) Commander Pol Maj Gen Bunchu Wangkanont. Police said that substantial evidence filed by investigating officers strongly suggested that they had played an active role in this illegal money pool business operated by Mae Chamoi.

Arrested in three lightning swoops at their homes early this morning included Mae Chamoi's sister Mrs Sombun Prasoetsi, 40. Others were Somchat Saisuk, 40 and wife Wattana, 36, Piyachai Chiwanon, 38, and his sister Miss Atchara, 27.

All the suspects were brought late this morning to the CSD headquarters where they appeared before a press conference chaired by Pol Lt Gen Samoe Danphong, Commissioner of the Central Investigation Bureau and CSD Commander Pol Maj Gen Bunchu.

Police explained why the suspects had been arrested, alleging that they had grounds to believe that they had been heavily involved in the chit fund business operated by Mae Chamoi.

After a brief appearance before the press, all the suspects were later separated and questioned by the CSD officers.

All suspects this morning denied all charges against them. Piyachai told reporters that he knew nothing about the operation and that he was merely a client and had bought 10 "oil trucks" from Chamoi. He said however, that Chamoi had once borrowed his identifications in order to open a bank account.

Pol Maj Gen Bunchu said that the arrests had been made after it became clear from questioning Chamoi's clients that a number of people besides Chamoi had been involved in the running of the so-called oil shares.

So far more than 11,500 people have complained with the CSD for investing with Mae Chamoi and said they had been cheated. The total investment is claimed to stand at about 3,245 million baht.

CSO: 4200/1235

THAILAND

ATHIT LEAVES BEFORE AMENDMENT DEBATE

BK181035 Bangkok BANGKOK WORLD in English 18 Jul 85 p 6

["Political Periscope" column: "Gen Athit Takes a Trip and Leaves a Poser"]

[Text] Amid a conflict between the Army and the coalition parties over the proposed constitutional amendment which will reach a climax next Monday [22 July], Army Chief Gen Athit Kamlang-ek chose to leave the country for almost two weeks, causing some speculation that the general may not want history to be repeated again.

Gen Athit left here last Saturday for Honolulu, in the company of his daughter who will be furthering her studies in the United States. After that he will move on to New Zealand and Australia where he will observe the training program of a group of Thai soldiers who had flown there recently, before returning on 29 July.

His departure came at a time when one of his right hand men Maj Gen Phichit Kunlawanit is playing a leading role in opposing the SAP's [Social Action Party] charter amendment proposal.

"Big Sua" [Nickname for Phichit] has been reported to have geared up his campaign for a one-man, one-vote electoral system, while the SAP amendment bill proposed by the Grand Guru Khukrit Pramot aims to revive the multi-constituency, individual-candidacy electoral system.

According to Big Sua, his one-man, one-vote system would provide equal rights for voters, but he would not mind if the electoral system was changed to a multi-constituency one with each constituency consisting of three candidates, as had been proposed by SAP.

However, if the multiconstituency, individual candidate system as proposed by SAP was adopted, he would like his one-man, one-vote system to be adopted for the voters.

He explained that by this he meant that although each constituency may have three candidates, each voter would have only one, and not three, votes. The first three candidates would then become elected MPs.

The powerful Army has been reported to have campaigned hard for this proposal, not only within the Army but also within the Airforce and the Navy as well. Senators reportedly have been instructed to abstain in the final vote of the constitutional amendment in Monday's joint session.

The Army is confident that with the help of the opposition Chat Thai Party, they could at least give the coalition parties a hard time on the Charter amendment and could also demonstrate that the political strength of the men in the green has not waned, no matter what changes there may have been in the situation.

On the other side of the coin, the government of Pa [nickname for Prem] Prem has tried to treat the constitutional amendment as an affair of political parties which has nothing to do with the Government, so the matter has not been discussed in the Cabinet.

The Government's coordinating committee headed by Deputy Prime Minister Buntheng Thongsawat has discussed this however and agreed to give firm support to the matter which has caused a confrontation between the military and the coalition parties.

However, there have been private consultations to ensure the solidarity of the coalition parties over the final vote of the Charter amendment.

According to a party source, the coalition parties have assured full support for the bill, although many southern MPs of the Democrat Party may prefer the retention of the single-constituency, party voting system. The Democrat Party is afraid that if the SAP's constitutional amendment were to fail, it might lead to another Charter amendment proposal by someone else next year, to seek a compromise between the military and the MPs.

So the SAP which is lobbying for its bill seems to believe that it will be able to sail through its final reading, with the support of elected MPs who will be directly affected by the bill, and with help from the civilian senators.

However, political observers noted that no matter what might be the outcome of the final voting on the constitutional amendment bill in the joint session next Monday, one can perhaps see the emergence of the army's heir-apparent who has been authorized to be in charge of a controversial political issue in the absence of the army top man.

CSO: 4200/1235

THAILAND

BRIEFS

SIAM DEMOCRATIC PARTY--The Interior Ministry confirmed that the Siam Democratic Party (SDP) is a legitimate political party and is entitled to field a candidate in the upcoming August 18 by-election in Nakhon Ratchasima Province. In a statement issued yesterday, the Ministry said that the announcement was intended to dispel misunderstanding surrounding the SDP's legal status and its right to field Lt Gen Yiam Intharakamheeng, former commander of Second Army Region, as its candidate in the by-election. [Excerpt] [Bangkok BANGKOK POST in English 16 Jul 85 p 2]

'INACCURATE' MEDIA REPORTS--The Special Branch Police yesterday asked newspapers and magazines not to publish "inaccurate" stories about factionalism in the Army, saying that such reports could mislead the public and cause conflict within the Armed Forces. Special Branch Commander Pol Maj Gen Kasem Saengmit told reporters that he was asked by senior military officers to talk with the media, especially weekly magazines and radio stations, about reports based on gossip and rumors. He said Armed Forces commanders may not agree with each other on some issues, but that does not mean they have personal conflicts. The commander also urged the media to exercise extreme discretion on publishing reports based on allegedly official documents concerning the annual reshuffle within the Armed Forces and the Police Department. He said reporters and editors should check the authenticity of such documents and their sources of information. He said stories based on false reshuffle documents could breed conflicts in the military. Maj Gen Kasem said that military authorities have also expressed concern about reports in several publications which give details and the locations of military installations, thereby endangering national security. [Text] [Bangkok BANGKOK POST in English 17 Jul 85 p 5]

U.S. TEXTILE IMPORTS--The House of Representatives will send an official letter to all U.S. Congressmen. The letter will ask for fair treatment of Thailand over an American legislative move to curb the import of textile and apparels into the United States. House Speaker Uthai Phinchaichon said the letter will be signed by the leaders of all political parties as well as himself. It will be sent to U.S. Congressmen as soon as possible. He said he had assigned the Foreign Relations Division of the Secretariat of the National Assembly to coordinate with

the Foreign Ministry on drafting the letter. He said that the House should have a role to play in the issue because it directly involves national interests. He added that the House's direct contact with the U.S. Congress will make it easier for the American legislators to understand the Thai problem. [Text] [Bangkok Domestic Service in English 0000 GMT 13 Jul 85]

SPECIAL ASEAN MEETING--Senior ASEAN officials will hold a special meeting in the northern city of Chiang Mai of Thailand at the end of the year to discuss and evaluate the performance of ASEAN, a senior Thai official told THE NATION yesterday. Permanent Secretary for Foreign Affairs Asa Sarasin said the meeting will be held on 13-16 December. "It will be a bull session of sort so that we can talk about everything on ASEAN," he said. [Text] [Bangkok THE NATION in English 13 Jul 85 p 3]

CSO: 4200/1235

MILITARY AFFAIRS AND PUBLIC SECURITY

SALE OF STOLEN CARGO CURTAILED BY PUBLIC SECURITY

Nam Dinh HA NAM NINH in Vietnamese 9 Apr 85 p 1

[Article by Tran Quang Tu, Deputy Chief of the Xuan Thuy Public Security: "Xuan Thuy Public Security Encourages People To Protect Cargo on Transportation Routes"]

[Text] To strengthen efforts to protect cargo transported on rivers, the Xuan Thuy District Public Security recently sent experienced cadres down to key villages to motivate the masses to struggle against instances of selling and misappropriating state goods on transportation routes.

With the help of the people, the district public security has firmly grasped each one living and working at the Mom Ro key point, the place adjacent to Thai Binh Province and Nam Ninh District. This is where the buying and selling of goods, stolen or skimmed off by the crews and brought for sale to merchants who live in the small hamlets along the edge of the river, usually takes place.

The district public security has, together with the Xuan Hong Village People's Committee, sent competent cadres down to each production unit to motivate the masses to contribute ideas for formulating regulations and struggling against those specializing in hiding and selling property for the thieves. The public security together with local authorities have plans to indoctrinate, reform or sternly deal with these targets. Households living along rivers or engaged in fishing are brought into activities in people's security teams headed directly by the secretary of the party chapter or a public security member.

With indoctrination, instances of the buying and selling of goods transported on rivers have gradually declined compared with previous years. The people are also detecting for arrest and trial by the authorities and public security a number of bad crewmen, contributing to the struggle to curtail the activities of thieves and speculators who black market goods under state unified management and recovering dozens of tons of nitrate fertilizer, cement, fuel, etc.

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CSO: 4209/460

INTERNATIONAL RELATIONS, TRADE AND AID

CPSU APPROVES RESULTS OF GORBACHEV-LE DUAN TALKS

OW062024 Hanoi VNA in English 1537 GMT 6 Jul 85

["CPSU Welcomes Success of Vietnam Party-Government Delegations Visit"--VNA headline]

[Text] Hanoi, 6 Jul (VNA)--The Political Bureau of the Communist Party of the Soviet Union Central Committee at its regular meeting in Moscow 5 July approved the results of the recent talks between a Soviet party and government delegation led by General Secretary M. S. Gorbachev, and the visiting Vietnamese party and government delegation led by General Secretary Le Duan, reports TASS.

The Political Bureau noted with satisfaction the complete identity of views on all issues under discussion, including the maintenance of peace and security in Asia and the Pacific. It stressed the great importance of agreements on implementing the long-term economic, scientific and technical cooperation program and developing the Soviet-Vietnamese relations in all fields, on the firm basis of Marxism-Leninism, socialist internationalism and the treaty of friendship and cooperation between the two countries.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

TASS, SPK HAIL RELATIONS BETWEEN SRV, USSR

OW051858 Hanoi VNA in English 1517 GMT 5 Jul 85

[All quotation marks as received]

[Text] Hanoi, 5 Jul (VNA)--"The high-level Soviet-Vietnamese meeting in Moscow has once again affirmed the unshakable fraternal friendship and solidarity between the two communist parties and peoples," stressed the Soviet News Agency TASS in a commentary yesterday on the successful visit to the Soviet Union by the Vietnamese party and government delegation led by General Secretary Le Duan.

TASS continued:

"The joint Soviet-Vietnamese statement is a demonstration of the strong development of the Soviet-Vietnamese relations based on the principles of Marxism-Leninism and socialist internationalism. The firm foundation of these relations is the two countries' treaty of friendship and cooperation the core of which is the coordination of acts and close cooperation between the communist parties of the Soviet Union and Vietnam. The talks in Moscow have once again brought out the principled and unchangeable policies of the two parties and two countries aimed at farther promoting the unshakable friendship and comprehensive cooperation between the Soviet Union and Vietnam.

The cordial meeting between Mikhail Gorbachev and Le Duan as well as the talks in Moscow have shown the unanimity of views on foreign policy issues raised in the discussion. The Soviet Union supports the efforts made by Vietnam, Laos and Kampuchea to turn Southeast Asia into a region of peace, stability and good neighbourliness and to strengthen the measures to bring about mutual trust in the Far East".

"The visit," the Soviet News Agency added, "is a big stride on the road to continually consolidate the coordination of action between the CPSU and the CPV and between the Soviet Union and Vietnam, thus contributing to the strengthening of the unity and solidarity of the whole socialist community."

Welcoming the results of the visit, the Kampuchean News Agency SPK said in a commentary on 1 July that the Soviet-Vietnamese friendship has an age-old tradition which has been tested in the years of war as well as of peace.

The official visit to the Soviet Union by the party and government delegation led by General Secretary Le Duan marks a new development in the friendly and cooperative relations between the Soviet Union and Vietnam".

It went on:

"The great success and positive effect of the visit are obvious. Vietnam and the Soviet Union share the same view on all international issues and agree to continue their comprehensive bilateral cooperation. The Soviet Union has decided to increase its economic aid to Vietnam in the five years of 1986-1990 and provide the latter with important equipment for its national economy.

"Vietnam has always hoped to make Southeast Asia a region of peace and equal cooperation and to contribute to defeating any wicked scheme of the hostile forces.

"The Kampuchean people sincerely thank Vietnam and the Soviet Union for their support and assistance and hope that their friendly relations become ever stronger for the sake of world peace," SPK said in conclusion.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

VIETNAMESE FOREIGN MINISTER PLANS TO VISIT INDONESIA

HK041359 Hong Kong AFP in English 1318 GMT 4 Jul 85

[Text] Jakarta, 4 Jul (AFP)—Vietnamese Foreign Minister Nguyen Co Thach will visit Indonesia toward the end of this month for talks with Foreign Minister Mokhtar Kusumaatmaja, sources close to the Indonesian Government said today.

The sources were, however, unable to confirm reports that Prince Norodom Sihanouk, head of the Government of Democratic Kampuchea (GDK) might also visit Indonesia at the same time.

They said that Mr Thach had hoped to visit Jakarta before next week's Association of Southeast Asian Nations (ASEAN) meeting in Kuala Lumpur, where the main topic of discussion is expected to be ASEAN's efforts to seek a solution to Vietnam's occupation of Kampuchea.

However, they said the Indonesian Government had advised Hanoi that after the conference would be more appropriate.

The Malaysian Government has proposed that proximity talks using an intermediary might be a way of overcoming one of the stumbling blocks to any solution, namely the fact that the Vietnam-backed Heng Samrin government and the UN recognised GDK do not recognize one another.

Mr Mokhtar has been holding talks with both U.S. and Vietnamese officials, saying that normalization of relations between the two would bring greater stability to the area and possibly increase the cases of a solution to the Cambodian problem.

In a related move, Hanoi this week conveyed a message to the United States through Jakarta that it was willing to hold top level negotiations with U.S. officials with the aim of solving the problem of U.S. servicemen missing in action from the Vietnam war within two years.

The sources said Washington's reaction to the offer was likely to be at the top of the agenda in talks between Mr Thach and Mr Mokhtar if the visit is finalized.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

LEADERS' MESSAGES SALUTE ALGERIAN INDEPENDENCE

OWO41854 Hanoi VNA in English 1532 GMT 4 Jul 85

[Text] Hanoi, 4 Jul (VNA)--President of the Council of State Truong Chinh and Chairman of the Council of Ministers Pham Van Dong have sent their warmest greetings to their Algerian counterparts on the occasion of the 23rd anniversary of Algerian's independence day.

In his message to President Bendjedid Chadli, secretary general of the Front for National Liberation, President Truong Chinh wrote:

"The Vietnamese people note with great joy that over the past years under the leadership of the Front for National Liberation led by your excellency, the Algerian people have recorded big achievements in the struggle to defend their national independence and a progressive and prosperous country, thus actively contributing to the struggle of the peoples in the region and the rest of the world against imperialism, Zionism and other reactionary forces, for peace, national independence, democracy and social progress."

The Vietnamese president wishes still bigger successes for the fraternal Algerian people and continual consolidation and development of the friendship and multiform cooperation between the two countries.

Foreign Minister Nguyen Co Thach has also sent a congratulatory message to his Algerian counterpart, Ahmed Taleb Ibrahim.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

TRUONG CHINH, NGUYEN CO THACH GREET CAPE VERDE

OW042224 Hanoi VNA in English 1530 GMT 4 Jul 85

[Text] Hanoi, 4 Jul (VNA)--Truong Chinh, president of the Council of State, today sent his warm greetings to President Aristides Pereira greeting the 10th anniversary of the proclamation of independence of the Republic of Cape Verde Islands.

The message says:

"In recent years, under the leadership of the African Party of Independence of Guinea and the Cape Verde Islands and of the Cape Verde Government headed by your excellency, the Cape Verde people have recorded many successes in defending their national independence and in building a prosperous country.

"The Vietnamese people sincerely wish the Cape Verde people many new achievements in their revolutionary cause.

"May the solidarity and friendship between the peoples of our two countries be further consolidated and developed."

Foreign Minister Nguyen Co Thach has also sent his greetings to his counterpart in Cape Verde Islands, Silvino Manuel da Luz.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

MONGOLIAN AMBASSADOR HOLDS PRESS CONFERENCE

OWO40506 Hanoi VNA in English 1544 GMT 3 Jul 85

[Text] Hanoi, 3 Jul (VNA)—Mongolian Ambassador to Vietnam, Mr Glegiyn Adiyaa, called a press conference here today on the occasion of the 64th national day of the People's Republic of Mongolia (11 July).

Ambassador Gelegiyn Adiyaa highlighted the achievements recorded in the past 64 years by the Mongolian people in transforming their country from a backward feudal country into a modern Mongolia with developing industry and agriculture.

He ~~add~~ stress on the support and cooperation Mongolia has benefitted from the Soviet Union and introduced the main targets of the socio-economic program laid down by the Mongolia People's Revolutionary Party at its 18th Congress.

Ambassador Gelegiyn Adiyaa reaffirmed that Mongolia's foreign policy is to strengthen its friendship and close cooperation with the Soviet Union and other fraternal socialist countries, to persist in its policy of peace and friendship with the peoples in Asia and all other parts of the world.

He also reiterated the Mongolian party, government and people's full support for the proposals of Vietnam, Laos and Kampuchea aimed at turning Southeast Asia into a region of peace and stability.

He noted with satisfaction the constant broadening and diversification of the Mongolian-Vietnamese cooperation.

CSO: 4200/1176

INTERNATIONAL RELATIONS, TRADE AND AID

VIETNAM PROVIDES RICE MILLS, TRAINS CAMBODIAN CADRES

Hanoi NHAN DAN in Vietnamese 1 Jun 85 p 2

[Vietnamese-Lao-Cambodian Fraternal Solidarity column: "Concern About Food for the People of Cambodia"]

[Text] Just as in many other sectors, Vietnamese-Cambodian cooperation in the grain sector is expanding and achieving wonderful results. After the Cambodian people smashed the genocidal Pol Pot regime, many cadres and specialists from our Ministry of Food went to Cambodia to make surveys and formulate plans for cooperation between the two countries. In January 1984, the 1984 non-repayable aid and economic-technical cooperation plan between the Vietnamese Ministry of Food and the Cambodian Ministry of Commerce was signed. After that, many groups of cadres and technical workers from our Ministry of food went to Cambodia to survey locations, draw up plans, prepare economic and technical arguments, guide the construction of factories, turn over and install equipment, test operate a mill with a capacity of 15 tons per shift, 5 mills with a capacity of 5 tons per shift and 10 mills with a capacity of 3 tons per shift, [install] a 25-ton platform scale and help equip a rice testing station. We also sent five specialists to help Cambodia do studies on grain and make plans to build up the material and technical base. Seven specialists were sent to guide the economic accounting activities, and five other specialists helped train cadres to manage the milling, operate the mills and control grain quality.

The Pol Pot clique destroyed almost all of Cambodia's mills. There is a severe shortage of technical cadres and workers. With a lofty spirit of responsibility, Ministry of Food cadres have looked for ways to fulfill the aid and cooperative plans and help Cambodia overcome the effects of this. Our grain equipment manufacturing plant organized the production of 16 mills with a capacity of 15, 5 and 3 tons per shift to help Cambodia. The leadership committee sent 10 engineers and technical cadres to make surveys, make designs and draw up economic and technical plans for integrated milling equipment to be installed in Kompong Thom Province. At the end of last year, the mills--the product of Vietnamese-Cambodian friendship--were taken to Kompong Thom.

The plant has actively used its capital to pay for manufacturing equipment and parts. The leadership committee has encouraged cadres and workers to make innovations, improve the techniques, improve product quality, help our friends with everything and build confidence in the products.

Kompong Thom, a "rice province," was selected as the place to install and test large mills. The problem is that the roads are in need of repair, and transportation is difficult. Distances are great, and many rivers and streams have to be crossed. Plant cadres and workers constantly think about what can be done to improve the meals of the Cambodian people and reduce grain losses during processing. At the mills, most of the machines recover only 60-62 percent of the rice. Very rarely do machines recover 64 percent. Just by saving 2-3 kg per quintal of paddy, there will be millions of tons, which is a large amount. At the same time, an effort must be made to increase rice yields by 1 ton per hectare, which is an integrated human and material labor project. The problem is to find a savings formula. We can suffer shortages, but we cannot allow our neighbor to have a shortage. Each person must be resolved to get rid of machines that have a rice recovery rate of only 65 percent. An effort must be made to manufacture machines with a recovery rate of at least 67 percent. Studies and calculations must be made to come up with a new machine design.

The plant called 1984 the "international year." Ideological education was provided in order to enable the cadres and workers to understand thoroughly the great significance of the Vietnamese-Cambodian-Lao combat alliance in the new situation. The emulation slogan was "more beautiful, more durable and better products and a higher rice recovery rate."

The result was that the products produced by the plant to help Cambodia were approved for export by the Institute of Measurements and Standards. We gave Cambodia 10 mills with a capacity of 0.4 tons per hour and a rice recovery rate of 67 percent, integrated equipment with a capacity of 0.42 tons per hour and a recovery rate of 67.16 percent and integrated equipment with a capacity of 0.7 tons per hour and a recovery rate of 68.5 percent. Thanks to this, the finished rice products had an average [recovery rate] of 68 percent. The machines were distributed to the localities. The Cambodians liked them because they were simple and light and easy to assemble, operate and repair and because they had a high rice [recovery] rate. The plant helped train 39 Cambodian technical cadres at Phnom Penh and Kompong Speu on machine structural principles, operating and repair methods, control and use. These cadres were then sent to work in Kompong Thom, Pursat, Krakor, Ko Kong, Kompong Som, Takeo and Kampot.

In 1985, the grain equipment manufacturing plant is implementing a plan in cooperation with the Cambodian commercial sector that is double that of last year. These are new friendship projects that will definitely contribute to strengthening the wonderful relationship between the peoples of Vietnam and Cambodia.

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CSO: 4209/508

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

CONDOLENCES SENT TO INDIA--Hanoi, 4 Jul (VNA)--Chairman of the Council of Ministers Pham Van Dong today sent his most heartfelt condolences to Indian Prime Minister Rajiv Gandhi, the Indian Government, and the families of the victims of the recent crash of a Boeing 747 of Air India. [Text] [Hanoi VNA in English 1536 GMT 4 Jul 85 OW]

KAMPUCHEAN, VIETNAMESE OFFICIAL MEET--Kampuchean President Heng Samrin cordially received in Phnom Penh Wednesday Vo Van Kiet, chairman of the Vietnamese State Planning Commission and head of the Vietnamese delegation to the second conference of heads of the Indochinese State planning bodies held in Phnom Penh in the past 3 days. President Heng Samrin said: In the present revolutionary situation of the three Indochinese countries, close cooperation and mutual assistance among the planning bodies of the three countries is an urgent demand. He sincerely thanked the Vietnamese people for their great, effective assistance to Kampuchea. [Text] [Hanoi International Service in English 1000 GMT 4 Jul 85 BK]

TRUONG CHINH CONGRATULATES ITALIAN PRESIDENT--Hanoi, 5 Jul (VNA)--President of the State Council Truong Chinh has sent a message of congratulations to Francesco Cossiga, former president of the Italian Senate, on his election as president of the Republic of Italy. [Text] [Hanoi VNA in English 1531 GMT 5 Jul 85 OW]

CPV DELEGATION CONCLUDES BULGARIAN VISIT--Hanoi, 5 Jul (VNA)--A delegation of the office of the Communist Party of Vietnam Central Committee headed by Nguyen Khanh, alternate member and director of the CPV Central Committee's office visited Bulgaria from 26 June-2 July, at the invitation of the Central Committee of the Bulgarian Communist Party Central Committee. While there, the delegation had working sessions with the office of the BCP Central Committee and made working tours of Varna, Sofia and Tolbukhin. On 1 July, the Vietnamese guests were cordially received by Milko Balev, Political Bureau member and secretary of the BCP Central Committee. [Text] [Hanoi VNA in English 1536 GMT 5 Jul 85 OW]

MOSCOW YOUTH FESTIVAL ATTENDEES--A 500-member delegation of Vietnamese youth will attend the 12th World Youth Festival to be held in Moscow. This is the biggest Vietnamese delegation ever since Vietnam took part in the festival. Besides delegates appointed at home, there are many children among youths

working and studying in socialist countries, among Vietnamese residents in Canada, France, Japan, Italy, Sweden and the Netherlands. The delegates are those who gained outstanding achievements in studying, working, and production. [Text] [Hanoi International Service in English 1000 GMT 6 Jul 85 BK]

CSO: 4200/1176

SONG BE PARTY SECRETARY ON PROVINCE'S GROWTH SINCE LIBERATION

Hanoi NHAN DAN in Vietnamese 27 May 85 p 2

[Article by Nguyen Van Luong, secretary of the Song Be Provincial Party Committee: "Looking Back on the Past 10 Years"]

[Text] Song Be Province, which resulted from the merger of Thu Dau Mot and Binh Phuoc Provinces following liberation day and had a population of 350,000 back then, now has a population of 774,000 and measures 9,520 square kilometers. The province shares a 215 kilometer border with Kratie Province in Cambodia and three of its districts border the Bien Hoa industrial zone in Dong Nai Province and Ho Chi Minh City. As the northern gateway to Saigon, Song Be was constantly the scene of life or death battles between ourselves and the enemy throughout the two wars of resistance.

Looking back on the past 10 years, the most striking factor has been the unprecedented development of the rubber crop. This has occurred in large specialized rubber growing areas in the six districts of Phuoc Long, Loc Ninh, Binh Long, Dong Phu, Ben Cat and Tan Uyen under the direct management and guidance of the six corporations. A total of 98,088 hectares are under the cultivation of rubber, 25,580 hectares of which are being harvested, and producing rubber for processing and exportation. The balance was planted between liberation day and 1983. The program of cooperation with the Soviet Union and Hungary with the aim of expanding the rubber growing areas under the guideline "the central level and the locality working together" is being implemented. Latex output is gradually increasing each year. Output rose from 17,000 tons in 1982 to 19,000 tons in 1983. According to the most recent planning conducted by the state, the province can expand the cultivation of rubber to 220,000 to 300,000 hectares. Thus, within the six rubber growing districts of the province, each district would have from 30,000 to 40,000 hectares, or 60 to 80 percent of each district's agricultural land, under the cultivation of rubber. The province has helped to implement the plan for the development of rubber cultivation, help which has included transferring nearly 40,000 laborers and land of agricultural cooperatives and production collectives to the state rubber farms of the central level. The newly established rubber corporation of the province has an 8.2 hectare seedling nursery and has planted 208,000 hectares of rubber trees.

Song Be has gradually stabilized the amount of area under the cultivation of wet rice while expanding the areas raising annual and perennial industrial crops. Of the province's 123,700 hectares of cropland, wet rice is raised on only 36,000 hectares. However, the province has planned a 3,660 hectare high yield rice growing area which will produce an additional 10 quintals per hectare compared to the average yearly yield of the province. The province's highest total grain output, in paddy equivalent, in one year was 190,000 tons. Once a province that lacked food and had to rely upon the central level for aid, Song Be is now meeting its grain needs and has made many efforts to fulfill its grain obligation to the state.

At present, the province is establishing a specialized peanut growing area that measures more than 15,000 hectares and encompasses 41 percent of Eastern Nam Bo. Sugarcane cultivation has been restored on 3,515 hectares and can be expanded to 6,000 hectares. The production of pepper, coffee, soybeans, green beans, sesame...has been developed in many districts. The amount of area under the cultivation of medicinal crops has also been increased in many areas.

In recent years, the majority of forestry products, consisting of some 60,000 cubic meters of timber, 18,000 cubic meters of wood in branches, more than 110,000 steres of firewood, 3 million pieces of tre and nua bamboo, 27,000 tons of raw materials for paper production, 2,000 cubic meters of floor planks, 430,000 cubic meters of veneering, 250,000 cubic meters of "ke" wood..., has been delivered to the state. According to planning, we will increase the amount of land devoted to forestry from the current level of 274,912 hectares to more than 400,000 hectares. From the standpoint of the harvesting and processing of forestry products, Song Be has many advantages in its favor: the province can produce from 600,000 to 650,000 cubic meters of timber, 100,000 steres of firewood and 40,000 tons of tre and nua bamboo per year on the basis of properly implementing the plans and planning that have been established regarding the repair, improvement and harvesting of the forests.

The production of livestock and poultry has been accelerated. The buffalo herd has been increased by 97 percent, the cattle herd by 35 percent, the hog herd by 34 percent and the poultry flock by 16 percent. More than 300 hectares of lakes and ponds are being used to raise fish.

The province has been making every effort to restructure and better develop the potentials and natural resources of the locality. Importance has been attached to establishing tighter control over the province's leading sectors, such as the building materials sector, the handicraft art products sector and the grain, food and forestry product processing sectors. The building materials and handicraft art products sector account for nearly 50 percent and the grain and food processing sector accounts for 20 percent of the value of local industrial output (which does not include the rubber processing enterprises of the central level that are located within the province). At present, the province has 45 state-operated enterprises, 36 of which are local enterprises and 9 of which are enterprises of the central level. In addition, there are 14 small industry-handicraft cooperatives and 247 units engaged in the production of pottery and lacquer paintings. Deserving of attention is

the fact that industrial output has begun to rise in a manner consistent with the economic strength of the province, thereby meeting processing needs, providing equipment to agriculture and helping to advance agriculture to large-scale, socialist production.

Song Be has attached importance to gradually increasing the locality's investments in capital construction. Since 1976, the province has invested 252 million dong in capital construction, primarily in the manufacture of material-technical bases for agriculture and industry, with some investments being made in road and bridge repair and the construction of a number of cultural and social projects.

Socialist transformation has been carried out gradually but steadily and has brought about good changes. Large numbers of farmers have been drawn to collective production by carrying out the redistribution of cropland in a manner closely tied to strengthening and establishing many new production collectives and cooperatives and immediately implementing the system of product contracts. To date, 58.1 percent of the province's households and nearly 59 percent of its farmland have been collectivized. The two districts of Phuoc Long and Loc Ninh and 32 villages in the other districts have virtually completed agricultural cooperativization.

The forces of state-operated commerce have made significant efforts and are gradually growing and gaining control over the market. The province has assigned responsibilities to the districts for managing procurements and managing the market, has instituted business and service licenses and has restructured the product sectors in order to manage prices well.

In the fields of culture and education, increasingly strong development has occurred. Schools have been constructed, enough to provide 65 percent of children with a place to learn. Basic public health units have been organized in all districts and villages, thus preventing and promptly extinguishing epidemics. The physical culture and sports movement has developed quite well at the basic units. Efforts to bring about the development of cultural life at basic units have yielded good results, thereby not only generating a happy and wholesome atmosphere, but also stimulating production and helping to change the face of the countryside.

In conjunction with maintaining political security and social order, national defense forces have been solidified and strengthened. The standard of living of the people has gradually been stabilized and is being steadily improved. In particular, living conditions within the ethnic minority areas are much better than they once were. The minorities no longer worry about being hungry, no longer worry about not having medicine when they are ill and large numbers of their children are attending schools.

However, the efforts made by our party organization to grow have not been commensurate with the position, potentials and strength of the locality and have not meet the requirements of the new situation and tasks.

The shortcomings that have hindered us in the performance of the socio-economic tasks of the province are subjective shortcomings that are reflected

in several problems of primary importance that we must endeavor to correct. These are: the party organization does not have a truly deep understanding of the general line or the economic line of the party nor does it have a good understanding of exactly what is involved in the class struggle during the initial stage of the period of transition to socialism. Compared to requirements, the pace of socialist transformation within agriculture has been slow. The transformation of industry and commerce has not been carried out at the same time as agricultural transformation, thereby having an adverse effect upon distribution, circulation and other areas of socio-economic life. In many respects, the economic management system and the planning system are not regulating socio-economic activities within the districts. There are still many areas in which the management responsibilities assigned to the districts by the province are not specific and still constitute administrative management and subsidization.

In the years ahead, Song Be will make every effort to restructure the province's production and economic order, build additional material-technical bases and create the conditions for gradually shifting from an agro-forestry-industrial economic structure to an industrial-agricultural economic structure. On this basis, we will stabilize and partially improve the material and spiritual lives of the province's working people.

The party organization and people of our province are determined to meet the following requirements:

Production must be increased in every respect with the aim of resolving the grain and food problem better by meeting the targets of 300 kilograms of grain per capita in 1985 and 500 kilograms in 1990. Our specific guidelines are to develop the production of perennial and annual industrial crops and intensify the activity of the industrial and small industry-handicraft sectors in order to increase the production of export goods and goods to trade for grain. Importance will be attached to the production and processing of subsidiary food crops, thereby helping to firmly resolve the grain problem and creating favorable conditions for achieving high results in the mobilization of grain.

We must continue to build material-technical bases, with efforts focused on the requirements involved in developing production along lines that develop the strengths of the province. We must endeavor to complete the projects planned for construction in 1985.

Efforts must also be focused on carrying out the transformation of agriculture in a manner closely coordinated with the transformation of industry and commerce and closely tied to the restructuring of production and the establishment of a new division of labor. Efforts must be made to virtually complete cooperativization in the countryside in 1985 in the form of cooperatives and production collectives, predominately production collectives. We must continue to build the cooperativization movement in a manner closely tied to the settlement of nomads within the minority areas.

We must strengthen the forces of state-operated commerce and the network of marketing cooperatives and must strengthen and develop the small industry-

handicraft cooperatives, building cooperatives and transportation cooperatives with the aim of effectively supporting the production and everyday needs of the people.

More importance must be attached to the development of cultural and spiritual life on the basic level, especially in the countryside, the base areas and the minority areas.

Every effort must be made to build the district and strengthen the district level, with special emphasis on strengthening the basic level to serve as the solid foundation for progress by the province.

We must constantly strengthen the security and national defense systems and make them strong from the village and hamlets upward, with full attention given to the border districts. We must do a better job of promoting the "for the frontline of the fatherland" action movement.

We must strengthen our relations and comprehensive cooperation with the brotherhood province of Kratie in the pure proletarian international spirit.

In the process of growing and recording new achievements, Song Be must attach very much importance to establishing economic ties with Ho Chi Minh City and the fraternal provinces in every field of production, distribution-circulation, exports and imports and apply scientific-technical achievements with the aim of developing the province's potentials and strengths better and bringing about new, strong socio-economic changes.

7809

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STATE INDEBTEDNESS TO FARMERS SPURS NEW APPROACH TO HOG SALES

Hanoi NHAN DAN in Vietnamese 27 May 85 pp 1, 4

[Investigative report by Minh Son: "Abolishing Bureaucracy and Subsidization: Why Is the State Able To Buy More Pork in Tu Son?; in the Procurement of Food Products, Results Are Not Achieved by Not Respecting the Right of Ownership of Farmers, by Bureaucracy and the Use of 'Pressure'; Hog Herds and Pork Sales to the State Increase as a Result of Setting Prices on the Basis of True Negotiations Between the State and Farmers; Procurement Prices, Procurement Methods and the Procurement Organization Must Be Correct and Suited to Each Segment of the Economy; Farmers Still Have Many Agricultural and Food Products They Want To Sell to the State, but..."]

[Text] A Strained Relationship

Each year, Do Son District in Haiphong procures from farmers anywhere from 800 to 1,000 tons of pork, live weight, to meet the following needs: 60 to 70 percent is turned over to the city while the balance is used to meet the needs of the district, such as supplying pork to cadres, manual workers and troops within the district as part of the nine products supplied to them under ration standards. Some pork is allocated to the slaughtering shops and sold at commercial business prices.

Prior to 1984, Do Son District, in particular, and the other districts of Haiphong, in general, procured pork from farmers primarily at obligatory prices. Each year, the city assigned quotas on the amount of pork to be contributed by the districts, quotas that were based on the district's labor, arable land and the procurement levels of past years. On the basis of the plan quotas assigned by the city and their own needs, the districts assigned contribution quotas per household to the cooperatives. Do Son District assigned each agricultural family an average quota of 20 kilograms of pork sold to the state at the obligatory price. This price was very low, far lower than the market price. This is not to mention the fact that the grading of hogs was generally inaccurate and unfair. The city's agricultural and food product corporation did not pay persons who sold pork directly, instead, it transferred the funds for their payment through the district level corporations. When they received notice that these funds were on deposit, which was generally very late, usually weeks and sometimes months later, the cooperatives sent persons to the district bank to withdraw these funds in

order to make payment to farmers. However, the bank usually did not allow them to withdraw these funds immediately and, even if it did, farmers did not always receive all the money due them at once. In late 1984, the Haiphong home trade sector still owed farmers more than 20 million dong for the procurement of pork and a number of other agricultural products.

Unfair, arbitrary procurement practices, the use of "pressure" and the failure to respect the right of ownership of producers aroused numerous complaints among producers. The farmers of the Thu Son Cooperative in Do Son District found themselves in the same situation and began to feel less confidence in dealing with a number of corporations of the state. The vegetable and fruit sector still owed the cooperative 700,000 dong that it was supposed to be paid in 1984. The commerce corporation still owes a total of 853,000 dong for the procurement of pork in 1984 and it is not known when farmers will be paid. Not long ago, the cooperative sold the city pork worth a total of 700,000 dong. To date, the state has only paid the cooperative 300,000 dong but even this amount was not paid all at once. The cooperative had to complain to the bank every day about its difficulties just to be able to withdraw 20,000 dong! At the Tu Son Cooperative we heard many specific, graphic accounts about the unfair trade between the state and farmers. Recently, as Tet was approaching, the commerce sector sent trucks into the village to procure pork. A most interesting notice was posted: "Payment will be made immediately so that you have spending money for Tet." This was truly a rare action, one that would satisfy the desires of farmers. People came from all hamlets, some pushing improved carts, some on motorbikes, some carrying heavy loads on their shoulders to sell their pork. That day, the people of Tu Son sold to the state pork worth more than 2 million dong. After weighing and selling their hogs, each person received a clearly stamped certificate of sale. On the next day, the cooperative sent its accountant and cashier to pick up the money. To insure the safety of such an important delegation, the management board sent four militiamen and a truck to escort the money back to the cooperative for distribution to its members. After waiting nearly all day, the persons who went to pick up the money were curtly informed by the corporation: "We do not have the money. You'll have to come back in a few days and pick it up!" A few days later, the delegation from the cooperative returned and was again told that payment would be postponed. By then, Tet had already passed. In the face of very loud demands, the corporation said: "We only have a few tens of thousands of dong on hand. If you take it, you will be considered as having been paid in full!" Knowing that if they accepted this very small amount of money they would not have enough to pay anyone back at the cooperative, the delegation demanded that the money be carried as a debt to the cooperative and left empty-handed. Cooperative members then marched on the cooperative's office, on the home of the director "demanding restitution." They said: "At the end of the year, as Tet was approaching, we sold our hogs with the intention of earning money to buy feeder pigs and never even got any spending money for Tet. That was the same thing as deceiving us." One after the other, the members of the party committee and management board came forward to make their apologies to the people: "Please understand, our state is encountering difficulties with cash!"

An Improper Attitude Toward Farmers

In our attempt to gain an understanding of the situation surrounding the procurement of pork in Tu Son, we learned about a phenomenon deserving of attention: the day that farmers take their hogs to sell to the state is, at the very least, the same day that they heard that the district banking sector would set up a savings campaign desk at the place where hogs are to be sold. Although it is called a "campaign," the general practice is to force farmers by every means possible to transfer some of their earnings, sometimes as much as one-third, into savings accounts. As of mid-May, the Tu Son Cooperative had a balance of 2.5 million dong on deposit in savings accounts, the major portion of which was "shifted" to these accounts by the method described above. Some farmers told us: "If we have idle money, we, too, want to deposit it in state savings accounts to earn interest, to keep it safe and to help build the country. However, we want to make deposits as we see fit. When depositing money in the bank, only the depositor and the bank clerk should know how much money is being deposited. We do not want to make deposits en masse, make deposits in public in front of the whole village so that everyone knows what we are depositing. We do not like this practice."

Farmers demand that their right of ownership truly be respected.

Why was it that even though hogs sold to state-operated commerce generally brought prices half as high as those on the free market and payment was not made on the spot, farmers continued to sell pork to the state for many years and fully met their quotas? The comrades in Do Son District informed us: it was partially because state-operated commerce has long been the main, traditional customer of agricultural products, especially pork. However, the most important reason is that our farmers are rich in patriotism and love of socialism, possess unquestioned confidence in the party and meet every obligation set by the state. Through careful inquiry at cooperatives, we learned that cooperative management boards generally applied to cooperative member families the following policy concerning the procurement of pork at the obligatory price: if a family did not fulfill its pork obligation, they did not receive the paddy and money to be distributed to them under the distribution plan if they were still earning income within the collective. If a family failed to fulfill its pork obligation by the stipulated deadline, they subsequently had to pay the free market price for a kilogram of pork for all pork they bought. For every 10 kilograms of pork, live weight, procured by the district commerce corporation under contracts, farmers were allowed to purchase 1 square meter of cotton cloth costing 17 dong and 1 liter of kerosene priced at 9 dong. However, cooperatives generally did not directly pay farmers in this way. Instead, they only gave each person who sold pork 0.70 meter of cloth and sold the kerosene at a price of 24 dong per liter, with the difference being evenly distributed among all cooperative members or "contributed" to the public fund.

Our farmers are very good people and do not want to have the reputation of being tardy in fulfilling their obligations to the state. They try to provide all that is required of them and some persons even borrow hogs from others to fulfill their obligation. However, this virtue could not perpetually be abused in order to do things that violated their right of collective

ownership and set economic regulations and policies that violated the law and their lives.

Practices Changed and Improved

The pork procurement practices described above disheartened farmers and emboldened the commerce agencies that were accustomed to unfair trade practices with farmers, accustomed to acting in an authoritative manner when it came to setting the times and places at which procurements were to be made as well as the grading of products.

In keeping with the spirit of the resolution of the 7th Plenum of the Party Central Committee, the Council of Ministers decided to abolish the obligatory pork procurement price for farmers. This was encouraging to farmers but raised concerns on the part of the commerce sector.

With the state having eliminated the pork obligation of farmers, where and how could pork be procured from farmers? At a number of places, this concern proved to be a real difficulty. The commerce sector, lacking sufficient pork to sell, had to replace pork with other food products of less value or bring in frozen pork from places thousands of kilometers away, which involved high transportation charges, a large amount of waste and the need to pay compensation for large losses.

Under a positive policy of taking urgent steps to control goods and money and making preparations to dismantle the system of bureaucracy and subsidization and shift entirely to economic accountability and socialist business principles, the party organization and government of Haiphong launched a pilot project in the procurement of pork at the Tu Son Cooperative in order to answer the question: now that the procurement of pork at obligatory prices has been abolished, by which method can state-operated commerce procure hogs from farmers and are farmers still "willing" to sell pork to the state?

The Tu Son Cooperative in Do Son District is a cooperative that has nearly 500 hectares of farmland, of which the land in the "5 percent" plots and the land under the cultivation of subsidiary food crops account for more than 20 percent. Tu Son has been an advanced model of Do Son District for many years in the fulfillment of the various obligations to the state. In 1983, Tu Son sold nearly 1,000 tons of paddy over and above its obligation to the state. It exceeded its plan quota on the sale of pork, live weight, by 25.78 tons in 1983 and 32 tons in 1984. The majority of these products were sold to the state on credit. At present, the various corporations, such as the Vegetable and Fruit Corporation and the General Commerce Corporation of the district, still owe the cooperative more than 1 million dong.

Under the new changes and improvements that have been made in the procurement of pork in Tu Son, the commerce, tourist and service sectors of the city make procurements right at the cooperative and employ flexible procurement methods suited to each different segment of the economy.

With regard to hogs of the collective raised by cooperative member families under contracts using the 15 percent of the land set aside for livestock

production and the green vegetables raised on their "5 percent" plots, the commerce sector makes its procurements under contracts that pay procurement prices that are sufficient enough to cover production costs and take market prices into consideration so that the cooperative earns a profit. How the cooperative pays its farmers is decided internally by cooperative members. Recently, at the start of May, the Tu Son Cooperative paid its farmers in two ways: any family that wanted to take grain in payment was paid 4 kilograms of paddy for every 1 kilogram of pork, live weight, sold (2 kilograms of 10th month paddy paid immediately and 2 kilograms of 5th month paddy to be provided by the cooperative at time of harvest in payment of the balance). If a family took payment in paddy, they were paid by the cooperative an additional 10 dong per kilogram of pork, live weight, for every kilogram above 80 kilograms; if their hogs weighed less than 80 kilograms, they paid back to the cooperative 8 dong for every kilogram below that weight. If a family wanted to take payment in cash, the cooperative paid them in cash at a price 5 to 10 percent per kilogram lower than the unorganized market price. With cash unavailable at the bank at that time, the cooperative temporarily borrowed from its funds to make fair payment to cooperative members instead of owing their payment to them and issuing them a meaningless letter of receipt. The cooperative's figures showed that more than 70 percent of families preferred to take payment for their hogs in cash. This was partly because farmers wanted cash immediately so that they could buy feeder pigs and have money to spend on other needs. And, also deserving of attention is that the majority of farmers wanted their payment in cash because their families still had surplus paddy and, therefore, did not need to buy more. Clear evidence of this was seen in the unenthusiastic response by cooperative members to the offer by the foreign trade sector to trade 1 kilogram of milled corn worth 33 dong for 1 kilogram of pork, live weight!

The second method of procuring pork applies to pork raised by the household economy in addition to the hogs raised under contract for the cooperative. In its approach to this segment of the economy, the city has coordinated with the district and allowed farm families to exercise complete control and not force them to sell their hogs to the state through the cooperative, which is something that farmers were very apprehensive about because going through the cooperative meant a great deal of inconvenience and many difficulties, not to mention that their product was trimmed and reduced along the way. Decisions concerning the hogs that they raise on their own must be made by families and it is they who must truly be in control with regard to the sale of their hogs. On the basis of determining the specific price situation and supply and demand on the market at each specific point in time, the commerce sector procures pork from them on an equal basis at prices agreed upon by farmers and pays them fairly in cash. In coordination with the procurement of pork, state-operated commerce and the marketing cooperatives of the city arrange for essential goods, such as matches, laundry powder, ready-made clothing, cement and so forth, to be sold at the same place pork is procured. The money received from the sale of goods is enough to make fair payment to farmers who sell hogs.

By means of this approach, the state has an appropriate procurement price, makes fair payment and organizes the convenient procurement and sale of products. Farmers do not feel that they are suffering any losses, are not

inconvenienced when it comes to selling their goods and see themselves as truly being in control, consequently, they have eagerly sold their hogs to the state, despite the fact that the prices paid by the state are 5 to 10 percent lower than free market prices. The city views this as an expression by farmers of their patriotism and love of socialism.

On the 3 days 28 April, 3 May and 4 May, the Tu Son Cooperative sold to the state 8.5 tons of pork. Some families, such as the family of 55 year old Tran Van Canh of production unit number 6, sold three hogs, one weighing 157 kilograms, another weighing 100 kilograms and one weighing 90 kilograms. Mr. Le Van Dang sold 2 quintals. Fifty-five year old Mr. Tran Van Cu of production unit number 3, who sold one hog weighing 60 kilograms at a price of 150 dong per kilogram and was immediately paid 9,000 dong, happily said: "We will be very pleased if it continues to be this easy to sell pork, if payments continue to be this fair and will surely only sell hogs to the state, never to private merchants!"

The Conclusions Drawn From Tu Son

The procurement of hogs in Tu Son as well as throughout Haiphong is not as good as it could be. There are still many problems that must continue to be resolved, still much red tape that must be cut.

The procurement of pork by the city's commerce sector is still being done through the district General Commerce Corporation. This corporation delivers hogs to the city's Agricultural and Food Product Corporation in one of two ways: it either acts as a third party and delivers hogs to the corporation at the cooperative, for which it receives a commission of 4.2 percent, or transports hogs directly to the slaughterhouse, in which case it assumes all transportation costs and losses and receives a commission of 6.2 percent. Vu Dinh Ngoc, the director of the Do Son District General Commerce Corporation, said that he does not like the second method very much because during one year when the corporation completed its task very well and received a bonus higher than all other districts, a bonus of 9,000 dong, the corporation still had to pay for losses totalling nearly 100,000 dong. In another year, it had to pay for losses totalling 800,000 dong. In view of Haiphong's convenient road network and the fact that the average distance from the districts to the center of the city is only 15 to 20 kilometers, except in the case of Vinh Bao District, which is nearly 50 kilometers away, should not the city's Agricultural and Food Product Corporation make procurements directly from cooperatives and cooperative members and eliminate the district as the middleman? Cooperatives are currently not the least bit enthused about selling hogs by the funds transfer method, a method which makes cooperatives go to a great deal of bother and trouble just to withdraw their money and pay their members. Would not the best and most effective method be for buyers and sellers to deal directly with each other and do so on the basis of fair payment? This would not only uphold the right of collective ownership of laborers with regard to the fruits of their labor, but also abolish bureaucracy and subsidization in business.

Tu Son is not a prosperous cooperative, but it does show that there is much pork among the people, that there is no shortage. The recent procurement of

large amounts of pork in Tu Son by Haiphong also shows: if a correct policy is adopted, if the method of trade is correct, if procurements are organized in a convenient manner and payment is fair and if farmers do not feel that they are incurring losses or being inconvenienced, the state can manage and control the vast majority of the agricultural and food products produced by farmers. But what will happen if farmers have many hogs to sell but the state is unwilling or does not know how to buy them? Two situations are sure to develop: first, because the state is not buying hogs and private merchants are prohibited from buying them, some farmers will stop raising hogs. Secondly, other farmers will find private merchants to illegally buy their hogs, as a result of which the state will not control these products, it will lose tax revenues and farmers will be pushed into the hands of private merchants.

Pham Van Lep, district party committee member and director of the Tu Son Cooperative, has made the following careful calculations: as of 1 April, the hog herd of the Tu Son Cooperative numbered 2,150 hogs, an increase of 350 compared to the same time last year. If each family only raised 1 hog weighing 75 kilograms per year (50 percent of the families in Tu Son raise 2 or more hogs), Tu Son could sell to the state 150 tons of pork per year, that is, nearly one-quarter of the pork delivered to the city by the district in 1984. With 203 mau of land under the cultivation of subsidiary food crops (the yearly cycle on which includes one rice crop), Tu Son could sell from 1,000 to 1,500 tons of vegetables and fruit of all types to the state each year. However, the state actually only buys one-fifth of the agricultural products that farmers need to market. Private merchants, therefore, have filled this vacuum created by the state. The majority of all remaining agricultural and food products flow onto the free market. This occurs because the state does not buy them.

At present, there are 33 private hog slaughtering businesses in Do Son. If each slaughters an average of one 60 kilogram hog per day, nearly 2 tons of pork are lost on a daily basis. On a yearly basis, private merchants control nearly one-half as much as the total quantity of pork that the district intends to control. Of the many cooperative members and cadres at Tu Son whom we questioned, every one of them expressed the following desire: "If we have pork or agricultural products to sell, we would like to sell them to the state and receive immediate, fair and full payment but we do not want to have to go through any middlemen at all. By 'full' payment, we mean that it would please us the most to be paid immediately if we sell hogs to the state but we are willing to be paid within a few days provided that payment is fair and farmers are not inconvenienced."

Money generates products that meet domestic and export needs and the subsequent turnover of money brings larger revenues to the state. A complicated problem in mathematics involving prices, wages and money has been

partly solved by the laws of life and the experiences of the masses but the full solution to this problem demands a spirit of dynamism and creativity on the part of the various sectors and levels and a determination to abolish bureaucracy and subsidization and shift entirely to economic accountability and socialist business principles.

7809

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MARX, HEGEL EMPLOYED TO SUPPORT THINKING BEHIND 'NEW MAN'

Hanoi TRIET HOC in Vietnamese No 85, Mar 85 pp 95-113

[Article by Tuong Lai: "Taking the Initiative in Stimulating the Formation of the New Man, the Worker Exercising Collective Ownership"]

[Text] "Man is the most precious asset. The happiness of man is the goal of the revolutionary undertaking of our party and people. Our slogan of action is everything for man, everything by man."(1)

A product of history, man is also the maker of history. History is always the history of man and man is also the final measurement of history. History--as analyzed by Engels--is temporary stages in the endless development of mankind from low to increasingly high levels. Each stage is a necessity, consequently, there are reasons for its existence in the times and the conditions that gave it birth; however, in the face of new and higher conditions, of the conditions that are gradually developing during it, each stage becomes unstable, loses all reason for existence and must give way to a higher stage.

During the past half-century, under our party, our nation has experienced stages of history filled will change and our country has entered a "higher stage" of history. In this higher stage, the Vietnamese of the new age have written their history under a new light and with a new stature. Without that light, without that stature, it would have been impossible to record the feats of winning victory over cruel enemies, completing the cause of national liberation and beginning the advance by the entire country toward socialism. History is continuous but each of its stages has its own requirements. Although man creates history, he is also bound by the circumstances of history and must meet its requirements. Having completed the mission of liberating the nation and reunifying the fatherland and with the Vietnamese revolution having entered a new stage, the Vietnamese are now contending with new challenges and must grow and meet the new requirements of socialist construction.

The tests of history are also truly stern. Without doubt, history's sternest test is war. Tempered in the flames of revolution and resistance, revolutionary heroism illuminated the brilliant qualities of the Vietnamese. Yet, in this new stage of building the economy, in the face of the new

challenges, there are still persons who waver back and forth, even some who have regressed and become deviant. This is not outside the laws that apply. Anyone who stands at a point in a river where it abruptly turns, where its waters swirl and its surface is covered with froth sees how the debris rises to the surface and collects along the bank. But what determines the flow of history is the strength of the undercurrent. At turning points in history, it is unavoidable that some persons are thrown by life from the sphere of development.

Moreover, the laws of the economy and the laws of socialist construction demand a new outlook, a new style of thinking. The outlook and thinking that were forged and developed in the revolution and the resistance, although priceless, are not enough to assist man in promptly learning what he must learn and promptly acclimating himself to the new situation. As Lenin advised the communists of Russia when they stood before the new stage that the Soviet Union was about to enter at the end of the civil war: "The enthusiasm that fills us today might last for 1 year, might last for 5 years. However, you must remember that the fight which we are about to wage will entail nothing but trivial matters. We will be surrounded by nothing but little economic tasks." (2) However, Lenin pointed out: "Either all of the political achievements of the Soviet administration will fade away or we must place these achievements upon a solid economic base. This base does not now exist. This is the work to which we must turn our hands." (3) Lenin considered a method outmoded if it only employed empty appeals or only motivated the masses by means of political imagery. He demanded that communist party members be skilled in economic management and social management. And, in these areas, communists had little training. But this was not their fault. They had just had to perform an extremely difficult task, a task that required violent revolutionary force, required weapons and courage, required the art of fighting. The conditions did not exist during the war for them to study economic management or cultivate economic thinking. However, it was precisely because of this that they now had to quickly take up a new battle position. This required time. Moreover, the issue at hand was not simply one of learning a body of scientific and technical knowledge. It required a new way of thinking, a new habit, a new style and a new way of life, in short, it required a new culture. And, being a culture, the time required could not be measured in 1 or 2 days. Yet, according to Lenin, "only that which has become an established part of cultural life, of customs and habits can be considered as having been achieved." The attitude of "drifting along," of sitting and waiting had to be criticized; acting impetuously and conveniently skipping stages and vacillating in the face of the confusion and disorder in life, of course, had to be eliminated. Ultimately, the issue faced was one of outlook, of thinking.

Dialectical thinking is superior to metaphysical thinking because it views a thing within the context of the ongoing process of life, the context of its evolution, the context of its movement from the time that something is not what it will ultimately become until the time that it assumes its final form. And things only reveal themselves most clearly when they reach a certain level of development. When a thing first comes into existence, it does not possess all that it must and does not immediately begin playing a universal role in real life. The same applies to man.

A product of a new socio-economic form, the new man is a new entity, one formed under a new set of conditions, guided by a new principle of the age.

Principle of the age? Precisely. This is a term used by Marx. According to him: "Every principle has its era." (5) Marx clearly analyzed that as a result of the emergence of new production forces, man changes his mode of production, his way of making a living, changes all of his social relations. The persons who establish social relations that correspond to their material production are also the persons who produce principles that correspond to their relations. This means that the principle of the age was born not as a result of the subjective desire of anyone, but that it objectively reflects the material forces of society. It is not surprising that production tools have been used to name the ages in man's history: the Old Stone Age, the New Stone Age, the Bronze Age... Production tools are specific material measurements of each historic age. The handmill gave society the landlord, the steam-mill gave society the industrial capitalist.

When making the observation that "the principle of power is not restricted to the 11th century nor the principle of individualism to the 18th century" (6), Marx, at the same time, said that "we ask ourselves why a principle is manifested in the 11th or 18th centuries but not in another century." To answer this question, "it is, of course, necessary to examine things in detail and determine what kind of persons the persons of the 11th century were, what the needs of the persons in each of these centuries were, what raw materials they used in their production and, finally, what relations were given birth among these persons by all these conditions of their existence." (7) Thus, the principle of the age is the combination of needs, production forces, mode of production, raw materials used in production, relations among persons...in summary, this principle is given form by practice and originates in practice.

If history is viewed as a whole, we see that, at any one time, principles exist in real life that negate one another. One principle plays the dominant role, others have been negated from a philosophical standpoint but still exist in reality. While the existence of these principles is something that must be accepted, it must be viewed as the existence of things that are dying out. At the same time, we must recognize the principle that is playing the dominant role, even though it has yet to be considered universal.

Thus, what is the new principle of our age, the age of the transition from capitalism to socialism on a worldwide scale? When outlining the major features in the development of the history of man, Engels, in his work "Socialism: Utopian and Scientific," predicted that when the proletariat seized social power and, through this power, appropriated the instruments of social production, placing them under the ownership of all of society, it would create the conditions for man to "be the master of the existence of his society and, as a result, be the master of nature, the master of himself-- become a free man." (8)

However, the above applies to the communist future. Is it too early to say that this is the principle of the age in which we are living?

Here, the issue is also one of outlook. True, a thing does not come into existence possessing all that it needs but the category to which it belongs does exist. It remains in its category from the time it first emerges until it reaches that certain level of development at which it is clearly defined. Flowers blossom simultaneously to set fruit. But when, on only one branch, a fruit begins to appear, the dialectical eye sees it as the emergence of the category "fruit" even though the flower stage is still brilliant and dominant to the subjective eye. From the standpoint of philosophy, the category "flower" has been negated, the category "fruit" has become dominant. And this is the inexorable law of nature, the law of development.

When discussing the way that Marx raised issues, Lenin said: "All of the theories of Marx represent the application of his doctrine on development, with the utmost thoroughness, fullness and maturity of form and richness of content, to modern capitalism." (9) According to Lenin, Marx raised the issue of communism in the same way as a naturalist raises, for example, the matter of the evolution of a new species, once he learned its origin and was able to clearly determine the direction its changes would take." (10) Our age is witnessing the victory of Marxism, is putting on record the fact that the brilliant thinking of Marx has become living reality through the victory of socialist construction on a part of our planet. Here, each step that we take is a solid step toward achieving the deeply held aspiration of mankind that was expressed in the brilliant prediction made by Marx and Engels in "The Communist Manifesto": "In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the free development of all." (11)

Clearly, the essence of the new principle of our age was elaborated by Marx, Engels and Lenin through their objective analysis of the movement of the capitalist socio-economic form and the inexorable development of a new form, the communist socio-economic form, a form that negated the old. Of course, as Lenin confirmed, a special stage or special period of transition from capitalism to socialism is necessary. However, this transition is always a transition of development from the old to the new, is a period of transition that belongs to the category of the new. Therefore, the principle of the new age plays the dominant role throughout the process of emergence, establishment and perfection throughout the entire course of development of the new socio-economic form. Was this not what Marx meant when he said: "The era belongs to the principle"? It "belongs" in the same sense that when a fruit emerges on a particular branch, even though the rest of the branch might be profuse with flowers, the fruiting stage begins and the category "flower" has been negated. Fruit, even if there is only one fruit, begins to play the dominant role and new life belongs to it. In 1917, with the emergence of only one country, the Russia of the October Revolution, a new era began, the era of the principle of the new age. History was illuminated by the light of the that principle and has been moving in the direction mandated by it. It is true that our "era" belongs to this principle, the principle of the age that was elaborated by Marx and Engels and turned by Lenin into a real strength, this principle that has determined the characteristics of the new age and guides the formation of the new man.

The modern Vietnamese man is being drawn by the principle of the age--the principle that plays the dominant role in the new stage of history. Our party calls this new principle socialist collective ownership.

However, the matter lies not in the name of this principle but in its substance. The substance of this principle, as mentioned above, is the product of the movement of history, "is a new phenomenon of history"(12), is a new category that did not exist during the past several thousand years, that has come into existence now for the first time."(13) This substance defines the special characteristics of the new system, the new economy, the new culture and the new man. In the final analysis, to discuss a system is to discuss who exercises ownership. This, too, defines the characteristics of the new economy, the new culture and, as a result, defines the characteristics of the new man.

Placed within the context of the entire course of development of the history of man, the exercise of collective ownership is, from the philosophical perspective, the negation of a negation. The evolution from primitive communal society, which had neither classes nor individuals, the individual having been absorbed into the community as a result of the low level of development of the primitive economy, to the society of the system of private ownership and class antagonisms was the first negation. The society of the system of private ownership of necessity had to produce new persons who corresponded to it, new persons who, of course, never did nor could exist within primitive communal society. The most distinctive characteristic of the new man created by the system of private ownership was individualism. Examined from the historical perspective, individualism fulfilled its glorious role in history. The evolution from the individual being absorbed within the community of primitive society to the affirmation of the individual's role was the result of the level of development of production, of the economy, that is, of the process of creating, in the terminology of Marx, "essential forces" and "practical skills." These essential forces and practical skills are not abstract products. "They are the subjective skills of the essential forces made objects"(14) manifested in production forces. "Production forces are the result of the practical skills of man but these skills themselves are determined by the conditions under which man lives, by the production forces that have been achieved."(15) Affirmation of the individual, therefore, was a step forward in history. However, even while playing the role as a step forward in history, individualism revealed its paradoxes when it affirmed the individual by placing the individual into opposition with society: "The strong win, the weak lose," "survival of the fittest" and "fiddling while Rome burns." With the emergence of the highest form of development of private ownership--capitalist ownership--individualism also reached its logical limit and laid the premise for its own negation. Abolishing the system of private ownership also means abolishing the origins of individualism, the origins of the classes and class antagonisms, the origins of corruption, of corrupt labor and persons who corrupt themselves. It is in this sense that Marx and Engels stated in "The Communist Manifesto": "The theory of the communist may be summed up in this single phrase: abolition of private property." Abolishing private property also means abolishing private ownership in order to establish the collective ownership of the working people. Within this system of ownership, the individual is liberated from the narrow constraints of the

individualism of private property. This is the second negation. Although it is also collective ownership, it is not collective ownership based on the harsh standards of the underdeveloped state of production in the age of the primitive community, but collective ownership based on the foundation of a high level of development of production, of the material and technical conditions of large-scale, mechanized industry. It also abolishes individualism but not to return to the time when the individual was absorbed within the community, but to liberate the individual. To this there is but one stipulation to add: it does not liberate the individual to facilitate affirmation of the individual by opposing the community, opposing society.

Abolishing the system of private ownership negates the principle of that system, namely, individualism, in order to affirm the principle of socialist collective ownership, affirm the strength of the individual within the community. This is precisely the process by which a new individual is formed within the new community. It is the maturation of historical development brought about by the logic of the development of the new socio-economic form, the logic of large-scale industry. The movement of production, that is, of the practical skills of man leads to a necessary demand to throw off the heavy yoke weighing upon history, upon the fate of man. Every person is considered a true individual who exists as a factor inseparable from the community. Although inseparable, the individual is not absorbed within this community. The individual is a "unit of persons" within the social whole. These units are the foundation of the whole. And, a part is only a part when it is within the whole, when it exists within this whole and by means of this whole. Within this new "all for one, one for all" community, the individual finds his strength within the community and it is only within the community that the individual possesses strength. At the same time, only with the true liberation of the individual can the community achieve its full strength. Collective ownership is the moving force behind social development precisely because of this reason. "The superiority of socialism lies in the strength of the collective, which is something that capitalism does not have. However, the superiority of socialism also lies in the strength of the liberated individual." (17) Therefore, "the superiority of socialism is cut in half if the strength of the individual is not developed." (18) Thus, "combining the strength of the collective with the strength of each individual" is what gives socialism its unquestioned superiority. This superior advantage is thoroughly developed upon through the gradual, trial application in real life of the great idea of Marx and Engels presented above: "The free development of each is the condition for the free development of all." We say "gradual, trial application" because society must still make an extraordinary effort to grow and reach this level, must create an economic strength sufficient to serve as the base for solidifying these splendid social relations while raising the level of thinking and the cultural standard of man through education in order to create a new spiritual demeanor on the part of society, a new habit, a new way of life. Although an extraordinary effort must be made, this effort is an action that conforms with the laws of history; therefore, our party maintains that this effort "is necessary and can begin to be gradually carried out starting today. In the present stage, there are objective and subjective conditions that permit us to begin to create a society that is beautiful from

the standpoint of its way of life, from the standpoint of interpersonal relations, a society in which the working people feel that they are living a happy life even though their material standard of living is not yet high."(19)

The new man, whose formation occurs in the new age, is guided by the new principle and, thus, is a new entity. This new entity is the product of a new socio-economic form. This entity will become universal when the system of collective ownership has been perfected, has become the natural result of the new economy, that is, when we have built a relatively developed system of large-scale, socialist production to serve as its base. This means that in order to accelerate the formation of the new man, positive steps must be taken to accelerate the process of socialist industrialization with the aim of quickly establishing the system of large-scale production consisting of a developed industry and agriculture supported by modern science and technology. It is precisely this new economy that determines the universal characteristics of the new man with his new qualities, new skills and new habits, qualities, skills and habits which his long past of disorganized, decentralized and backward small-scale production could not create.

However, who are the subjects that create this new economy if not the persons who contend every hour of every day with the tough challenges faced in advancing small-scale production to large-scale socialist production and bypassing the stage of capitalist development? Bypassing the stage of capitalist development is not a matter of issuing a decree to skip a natural stage of development of history, but a matter of fully adhering to the special law of development of Vietnamese history. "Considering the development of socio-economic forms to be a natural historical process," Marx once pointed out: "A society, even when it has discovered the natural laws of its development...still cannot skip the natural stages of development or abolish these stages by decree. However, it can reduce the length and severity of its labor pains."(20) Who is it that is undertaking the task of "reducing the length and severity of the labor pains" of Vietnamese society as it advances from small-scale to large-scale production? It is the men and women of Vietnam! It is the men and women of Vietnam who must vigilantly keep their weapons firmly in hand and constantly stand guard against foreign aggressors whose expansionist desires never cool while overcoming countless difficulties in order to build socialism within a country ravaged by more than 30 years of fierce war.

In one sense, bypassing the stage of capitalist development in order to advance directly from small-scale production to socialism is to bypass the spontaneity of capitalism that emerges when it establishes its system of large-scale production so that we can put in place a conscious process of building large-scale production, without which socialism cannot be achieved. It is precisely here that the issue of man, that the role of the ideological and cultural revolution arises.

The special law of the Vietnamese revolution, which originates in the realities of our country's society, compels us to take the initiative and be one step ahead in carrying out the ideological and cultural revolution so that we can take the initiative in accelerating the formation of the new man and establish new interpersonal relations. That this law compels us is an

objective demand of the movement of society, not purely a subjective product of man's will. Moreover, as Marx pointed out to us, issues only arise when the material conditions needed to resolve them already exist to some extent or are forming. The circumstances of our country compel us and also create the conditions for us to take the initiative in molding the new man. By taking the initiative we mean organizing and leading this process of molding the new man in a conscious manner, in a manner which inextricably ties this process to the process of building the material and technical bases of socialism. Therefore, our country's socio-economic strategy must be a human strategy.

In real life, new persons have emerged, persons are becoming new persons on their own, on the production and combat fronts, in factories and fields, in the field of scientific research, in distribution-circulation... At the most critically important places on the production and combat fronts, there are emerging the new qualities, the new way of thinking and the new work habits of persons who feel that they must be responsible to life. The reason for this is simple. If they do not feel this way, they cannot stand firm in the face of the harsh demands of the new life. The stern but fair trials of life temper them so that they can grow and undertake new missions. But, at the same time, these trials also cast aside anyone who does not make an effort to grow and promptly meet new demands.

These persons are becoming new persons on their own? They are, indeed! Development is always a matter of self-development. Through his practical actions, man transforms the world and improves himself. Hegel's thinking that man is a natural being and charts a course by which he is reborn was developed upon by Marx and given a scientific basis within the category of the practical. Also by means of the category of the practical, Marx elaborated the method of revolution in real life. Man can only give birth to and develop himself, can only improve himself in practical actions, that is, in revolution, not in a conservative and static state. Therefore, to create practical skills that correspond to the objective demands of life, man must act, must act to transform reality in accordance with the new principle of the age.

Yet, wherever we look, we see numerous things that are not consistent with our thinking regarding man, regarding the qualities of man. In the final analysis, the widespread negative phenomena we see are caused by man. This is a fact. However, there is another strong and more moving fact, namely, the unshakeable strength of persons who are the masters of economic processes, of scientific and technological endeavors, of the life or death fight against the evil schemes of every type of enemy. Without these persons, how could we have achieved what we have achieved in socialist construction and the defense of the socialist fatherland today? It is from this perspective that we gain an even deeper understanding of Uncle Ho's statement: "To build socialism, it is first of all necessary to have socialists." The socialists to whom Uncle Ho referred are not persons who are grown in a test tube and then sent to build a pure socialism of the form envisaged by the utopian socialists of bygone years.

This is the affirmation of the role of the progressive person, of persons who consciously recognize the laws of development of history and are consciously

guided by the new principle of the age in their actions. Marx once demanded: "It is not enough for ideas to try to become reality; reality itself must also try to move toward ideas."⁽²¹⁾ From small-scale production, it is possible to advance directly to large-scale, socialist production because the age has created the conditions for man to consciously orient his actions in the direction of the necessary development of the movement of society. The reality of our social life is trying to move in the direction of the great idea of our age and the new man is being formed within this movement.

In the period of transition, the old society is gradually becoming the new. In this inexorable movement, the new man--the new entity--has yet to become universal. The new is seemingly being overpowered by the old, by that which still exerts real strength, because socialist transformation has not been completed and, in particular, because the advance from small-scale production to large-scale production is only in the initial stage. However, that which possesses this strength to overpower the new is also that which, from a philosophical perspective, has been negated, that which has been stripped of its role in history. Only by making this point clear can we achieve the full courage and confidence to take the initiative in accelerating the formation of the new man, the worker exercising collective ownership.

Victor Hugo once wrote something very interesting: all the mechanized armies of the world cannot stop an idea once its time has come. We are now in the period in which the great idea of the age is exerting its strength. To take the initiative in accelerating the formation of the new man, the worker exercising collective ownership, is to take the initiative in moving toward this great idea of the age.

FOOTNOTES

1. Le Duan: "Nam vung quy luat, doi moi quan ly kinh te"[Firmly Adhering to Laws, Improving the Management of the Economy], Su That Publishing House, Hanoi, 1984, p 55.
2. V.I. Lenin: "Collected Works," Volume 42, Progress Publishers, Moscow, 1977, p 8.
3. Ibid., Volume 41, 1978, p 212.
4. Ibid., Volume 45, 1978, p 443.
5. Marx-Engels: "Selected Works," Volume 1, Su That Publishing House, Hanoi, 1980, p 387.
6. Ibid.
7. Ibid.
8. Ibid., Volume 2, 1971, p 183.
9. V.I. Lenin: "Collected Works," Volume 33, Progress Publishers, Moscow, 1970, p 103.

10. Ibid., p 104.
11. Marx-Engels: "Selected Works," Volume 1, Su That Publishing House, Hanoi, 1980, p 569.
12. Le Duan: "Cach mang xa hoi chu nghia o Viet Nam"[The Socialist Revolution in Vietnam], Volume 3, Su That Publishing House, Hanoi, 1980, p 317.
13. Ibid., p 329.
14. Karl Marx: "1844 Draft on Economics and Philosophy," Su That Publishing House, Hanoi, 1962, p 199.
15. Marx-Engels: "Selected Works," Volume 2, Su That Publishing House, Hanoi, 1971, p 541.
16. Ibid., Volume 1, 1980, p 559.
17. Le Duan: "Thua suot hon mua duong loi cua Dang trong chang dau cua thoi ky qua do"[Gaining a More Thorough Understanding of the Party's Line in the Initial Stage of the Period of Transition], Su That Publishing House, Hanoi, 1983, p 27.
18. Ibid., p 37.
19. "Dang Cong san Viet Nam"[The Communist Party of Vietnam], Proceedings of the 5th National Congress of Delegates, Volume 1, Su That Publishing House, Hanoi, 1982, p 93.
20. Karl Marx: "Das Capital," Book 1, Volume 1, Su That Publishing House, Hanoi, 1973, pp 19 and 20.
21. Marx-Engels: "Selected Works," Volume 1, Su That Publishing House, Hanoi, 1980, p 27.

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CSO: 4209/491

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

NGUYEN THI BINH LEADS DELEGATION—Hanoi, 3 Jul (VNA)—Two delegations of Vietnamese women are to attend the world conference to the United Nations Decade for Women to be held in Nairobi, Kenya. This was announced by Mrs Nguyen Thi Binh, education minister, vice president of the Vietnam National Committee for the Women Decade (VNCWD) and vice president of the Vietnam Women's Union, at a press conference held by the VNCWD here today. The VNCWD delegation will be led by Nguyen Thi Binh herself while the non-governmental delegation will be led by Mrs Nguyen Ngoc Dung, VNCWD member, deputy secretary general of the Vietnam Fatherland Front Central Committee and member of the Central Committee of the Vietnam Women's Union. [Text] [Hanoi VNA in English 1621 GMT 3 Jul 85 OW]

CSO: 4200/1176

PROFESSOR DISCUSSES SOCIALIST ECONOMIC MANAGEMENT

Hanoi NHAN DAN in Vietnamese 3 Jun 85 p 3

[Article by Professor Dao Xuan Sam: "A Number of Theoretical and Practical Questions on Eliminating Bureaucratism and Switching to Economic Accounting and Socialist Business Enterprise: Using Commodity Relationships in the Planned Management Mechanism in Conjunction with Economic Accounting and Business Enterprise"]

[Text] The question of switching to a planned management mechanism in conjunction with economic accounting and socialist business enterprise was first proposed at the Fourth Party Congress. This has been a fundamental problem of management innovation, and it has become more and more urgent. The 6th and 7th plenums of the CPV Central Committee (Fifth Term) stressed examining and solving this problem. The resolution of the 7th plenum of the CPV Central Committee states that the management mechanism must continue to be improved by putting forth--the earlier the better--specific policies and measures to switch from bureaucratism to economic accounting and socialist business enterprise. This is a very complex problem that is of great ideological and theoretical importance, that is important to policy and that is urgent in terms of practice and life. In order to contribute to explaining and implementing the policies of the party, writers have given a number of theoretical and practical ideas on the following problems in order to make innovations in our country's economic management: Using commodity relationships in the planned management mechanism in conjunction with economic accounting and business enterprise; distinguishing between a bureaucratic management mechanism and a socialist business enterprise management mechanism; a dynamic management mechanism and manifesting the guiding role of the state economy; [and] reorganizing production and economic accounting relationships in joint enterprise.

In the history of socialist economic management, an important and complex theoretical and practical problem is the relationship between the plans and products of the economy. At the start of socialist economic management, we often avoided giving attention to commodities and placed them in opposition to the plans of the socialist economy. Socialist economic management practices have clarified the vital existence of commodity and market relationships. Furthermore, it is necessary to develop these relationships, not only in the period of transition but after socialism has been developed. These are not the original commodities and markets of the capitalist economy but commodities and markets that have gradually taken on the economic elements of the new society. It is a style of commodity production and marketing that has gradually been purified and that has gradually lost its spontaneity, which has been replaced by planned organization, in conditions of public ownership and a dictatorship of the proletariat. Stated differently, with guided plans, commodities must be placed within the orbit of the plans. Plans [must] be placed in opposition, and the spontaneity of commodity and market relationships must be eliminated. But the relationships themselves must not be eliminated. Only in the higher stage of communism will commodity and market relationships cease to exist. These conclusions were mentioned rather early. But people were slow to accept them--although this has now changed--even though V.I. Lenin built a foundation for changing [people's] understanding when the new economic policy was implemented in the Soviet Union.

This is still a complex problem. Because after accepting the objective existence of the new commodity and market relationships, in putting these to use we have encountered a major obstacle. The economic management system was established with a viewpoint of slighting and limiting commodity characteristics, and there was great confusion in controlling and regulating the relationships. This has given rise to a two-sided situation. On one hand, because of expanding commodity circulation and market relationships, the economy has grown strongly and there have been greater results. On the other hand, using the categories of the commodity economy and examining the basic external forms that resemble bourgeois models has further separated incomes based on labor and those based on capital and individual and private ownership in management and distribution. Also, there has been a certain degree of spontaneity and competition. Many communists, as well as many citizens in socialist countries, regard this as a sign of veering off the socialist path, which worries them deeply. Many people still have in mind the image of a pure socialism with production relationships with full public ownership, perfect state control and complete public welfare. However, based on public ownership, state control and public welfare as the guiding and ruling [principles], historical practices require that we still make use of private ownership, contract control, economic accounting and private interest. This is still a very complex problem in our country because not only do we have commodity and market relationships like those in countries where socialism has triumphed, or where there is developed socialism, but we also have

commodity and market relationships in which the private economy occupies a major place and in which we lack management experience. Because of this, there is still much individualism, and spontaneity is inevitable. These can be gradually limited and eliminated by building the material and technical base of socialism and by [carrying on] the socialist revolution in general.

Since the promulgation of the resolution of the 6th plenum of the CPV Central Committee (Fourth Session), the policy of having a many-faceted economy, which has been used in conjunction with the policy of expanding commodity circulation and strengthening economic accounting, has placed the management system ahead of new objectives, a new environment and new laws. Our economic management system, with the status of a management subject, has grown accustomed to administrative management for a war-time economy and has not used commodity relationships. Now that the revolution has changed stages, this system has become very awkward. It is also conservative and bureaucratic. Thus, it is very difficult to control the economic processes of a commodity nature. Because of this, many mistakes have been made, and there have been great losses at the markets and in distribution and circulation. Because of this, the markets are spontaneous and disorganized. In this situation, there are two ways to correct the mistakes: to return to the old way of controlling commodity and market relationships or to allow things to happen spontaneously. These two methods are similar in that the commodity economy relationships cannot be controlled and the economic laws, among which is the law of value, cannot be grasped and used self-consciously. Our country's state economy, with a bureaucratic management system, sufficient revenues and expenditures and allocated payments, is unfamiliar with commodity relationships. Therefore, even though there is great potential, it will not be possible to control the markets in order to serve as a guide for planning. Thus, in reality, some places have at times allowed the private economy, which consists of millions of small commodity producers, to spontaneously engage in legal and illegal and in open and secret production and business activities. This has resulted in [our] falling into a situation described by Lenin as a retreat toward petty bourgeois capitalism. Some people have warned that "allowing the anarchy of the petty bourgeoisie to continue to exist is very dangerous and very worrisome." Without simple organizational and administrative measures, it can perhaps control the tens of millions of small producers during the time that the state economy, which is the guiding element, is still shackled by bureaucratism and cannot manifest a unifying effect and provide guidance and direction using economic tools.

Because the management system is still conservative and backward, particularly concerning such economic levers as prices, finances, credit, wages and merchandise and commodity circulation, in order to expand production, improve the lives of the masses and control the markets based on the principles and policies of the party and state, many state economic units must frequently violate the system.

Managers who are committed to hitting the socioeconomic targets and implementing the major viewpoints and policies also violate the system. At present, the element in our country's economic management mechanism that is slowest to change is the state economic management mechanism, particularly central state enterprises. This is a restrictive factor that weakens the state economy. Many documents have been issued with the intention of concretizing the positions and policies of the party and state and improving things. But many things are not in accord with reality. Strss is still placed on collection and preserving the old management ways. This has created a situation in which production and business enterprise have proceeded one way while the system has wanted to take another direction. Production and business enterprise still require untangling. That is the origin of the theoretical ideas of conservatism and deviations from reality in systematizing things. And while it is desired to have unified and planned economic management, [people are] too cautious in using commodity and market relationships. Furthermore, people are defensive. They try to remain aloof and rebel against these essential relationships. Proper action is not taken in order to master the relationships using an appropriate transitional management system. Thus, whether desired or not, it has been impossible to implement the basic viewpoints of the party in making innovations in specific policies and management: consistent viewpoints, collective ownership viewpoints, democratic centralism, planning viewpoints with the three echelons taking control, four balanced sources and economic accounting principles and unified coordination of economic interests.

In economic thinking and theory, we sometimes say that we will not follow the law of value or the market mechanisms. But that way of talking is rather vague since those are objective economic laws and relationships that we must obey in order to master things. It cannot be otherwise. It should be noted that the law of balanced and planned growth assumes the self-conscious use of the entire system of objective laws, among which are the laws of a commodity and market economy. Otherwise, spontaneity will immediately replace planning in each sphere of social production. We must study in order to gain control and master commodity and market relationships and their laws just as people tame animals and wild vegetation. Talk of limiting the effects of the laws of value and commodity relationships is an outmoded and muddled way of talking since we can only limit and eliminate the spontaneity of these relationships and laws; we cannot limit or eliminate these objective relationships and laws as long as objective conditions allow them to survive. Furthermore, it must be affirmed that at present, some of the spontaneity of commodity and market production in our country is still necessary, but it is not "inevitable." The tendency is to guide things and gain the upper hand by self-consciously planning and managing things and suppressing and replacing spontaneity. With this concept, the national economy must attack the markets with a suitable transitional management mechanism in order to gain market ownership rights. If we run away from or rebel against the markets,

a bureaucratic management mechanism will definitely return. Everyone should remember the point made by V.I. Lenin, who said that communists must study business. Proletarian countries must become retailers and study ways to regulate business relationships nationwide. What that means is that communists must study in order to make use of the commodity and market relationships, laws of value and related categories. They must be excellent in economic competition in a many-faceted economy, particularly in international economic relationships, in which targets include not only comrades and friends but also rivals and enemies. When you associate with wolves, you must howl like a wolf. That is what Lenin said.

Our country has been slow to develop economically. In particular, the commodity economy has expanded very little. Furthermore, in the old system, the major businessmen were usually foreign capitalists. Vietnamese in general have little experience in business. Also, after 30 years (1945-1975) of living in a war-time economy and not having a commodity economy, there are still many [bad] impressions and superstitions about a commodity and market economy. Because of this, when the commodity and market economy is expanded, which is an economic necessity in the new historical period, it is very easy to become awkward and hesitant. And one of the main reasons is the theoretical dilemma.

In order to stimulate economic growth in the country and expand foreign economic relationships, special attention must be given to changing the old concepts and theories and mastering the essential economic relationships, which includes commodity relationships. Once commodity and market relationships have been mastered and controlled, communists will have another powerful system of economic tools in order to manage a unified and planned economy based on the principles of economic accounting and socialist business enterprise. There will be unity in conditions in which the echelons and masses have collective ownership. The strength of the collective will be coordinated with that of each individual and small collective. The strengths of planning will be coordinated with those of commodities. This will enable the socialist economic management system to resemble a dialectical negation of the spontaneous mechanism of the capitalist economy and be superior to that mechanism.

11943

CSO: 4209/509

FINANCE MINISTER DISCUSSES BOND CAMPAIGN, CHANGES IN TERMS, RATES

Hanoi NHAN DAN in Vietnamese 3 Jun 85 pp 1, 4

[Article by Chu Tam Thuc, minister of finance: "Revising the Maturity Dates and Interest Rates in the Policy on Issuing Government Bonds"]

[Text] Even though the 1983-1984 campaign to motivate people to purchase Fatherland Construction Bonds was carried on in conditions in which there were many difficulties in production and life, the campaign was a success both economically and politically.

As of 31 December 1984, the sale of bonds had brought in more than 2 billion dong in cash and more than 6,000 tons of paddy. Besides cash and paddy, people in some places used gold, silver and foreign currency to purchase Fatherland Construction Bonds. By the end of the 1983-1984 campaign to purchase bonds, 13 provinces and special zones had fulfilled or exceeded ahead of time the quotas for mobilizing bonds in cash. The 13 were Dac Lac, Ha Bac, Quang Nam-Danang, Hoang Lien Son, Vung Tau-Con Dao, Lai Chau, Dong Nai, Phu Khanh, Gia Lai-Kon Tum, Lam Dong and Nghe Tinh. Among these, Nghia Binh Province is worthy of special praise since it exceeded both the cash and paddy quotas ahead of schedule on 25 September 1984.

Although Ho Chi Minh City and Hanoi did not fulfill the norms, they made a great effort. These two localities collected more in cash than any other locality in the country.

Binh Tri Thien, Son La, Thanh Hoa, Hau Giang, Thuan Hai, Ha Son Binh and Ha Tuyen provinces encountered many difficulties because of natural disasters and hostile acts, but they still made a great effort, particularly in the final months of the year.

In many localities, the campaign to motivate people to purchase Fatherland Construction Bonds has become a broad political movement and a revolutionary action movement of all the people. It has attracted people from every strata, age group, nationality and religion in every region of the fatherland. There are many good examples that are worthy of praise. For example, Bui Van Quan in Ho Chi Minh City purchased 500,000 dong worth of bonds; Cao Xuan Le in Phan Thiet City, Thuan Hai Province,

purchased bonds worth 400,000 dong; Nguyen Thanh Nghiep in Dong Thap purchased 400,000 dong worth; Ha Van Khoa and Vuong Thi Sau in Nghe Tinh purchased 5 tons of paddy worth of bonds; and Tran Ky Tham in Dong Thap purchased bonds worth 3 ounces of gold. Representative of the farmers in purchasing high-grade bonds, the Nguyen Van Viet and Le Van Thao families in Hau Loc Village, Hoang Hoa District, Thanh Hoa Province, each purchased 300,000 dong worth of bonds. Representative of the tribesmen in purchasing high-grade bonds, Luong Van Tem, a member of the Tay tribe in Hoang Lien Son and a member of a war hero family, purchased [bonds] worth 3.5 tons of paddy and 20,000 dong. Mado Hin, a member of the Ede tribe in Dac Lac, purchased 106,000 dong worth. Representative of the Buddhist clergy and faithful in purchasing high-grade bonds, Thich Dieu Niem in Nghe Tinh purchased 50,000 dong worth. Representative of the Catholics, Father Dang Thanh Tien in Dong Thap purchased 53,000 dong worth, and Bui Xuan Le, a Catholic in Nghet Tinh, purchased 60,000 dong worth. Representative of the youth movement, which responded to the campaign, Ly Van Truong and Ha Ngoc Muoi in Nghe Tinh each purchased 6,000 dong worth by raising calves given to them by their parents. Representative of the wounded soldiers, the family of Nguyen Xuan Vui, a 7/8 wounded soldier in Ha Bac, purchased bonds worth four-tenths of an ounce of gold. Representative of retired cadres, Pham Hot, the secretary of the Hoa An Hamlet party chapter in Nghia Binh, set an example by purchasing 140,000 dong worth and then motivating cadres, party members and others to follow his example. Besides these, many other families and individuals who are experiencing many difficulties in their material lives responded to the appeal of the fatherland by striving to economize in consumption, temporarily deferring purchases that were not really urgent and loaning money to the state. This had a very stimulating effect on the movement.

In conditions in which the economy is unstable, commodity prices fluctuate, the amount of money in circulation among the people is very great and socialist industrialization requires large sources of investment capital, the money collected from selling government bonds is of great importance.

However, the 1983-1984 campaign to purchase Fatherland Construction Bonds had a number of shortcomings and weaknesses that must be overcome. Bond sales were low as compared with existing capabilities. Only 66 percent of the anticipated mobilization quota was fulfilled. In particular, collections in paddy were only about 3 percent of the anticipated mobilization quota. Only 30 percent of the provinces, cities and special zones fulfilled or exceeded the anticipated bond collection quotas. Something worth noting is that these localities are not economically prosperous localities. Also, the campaign did not really concentrate on the households with much money and paddy, the business families with high-level commercial licenses or the peasant households and individuals with large incomes.

The shortcomings and weaknesses of the campaign to motivate people to purchase bonds during the past period stem from the propaganda, organization, leadership and guidance of the sectors, echelons and mass organizations. However, this also poses policy problems. The policies must be revised promptly in accord with the demands of the new situation.

In order to overcome the weaknesses in the policy on issuing bonds, such as the fact that interest rates are low, maturity dates are too long and the mobilization organizations have not focused on targets with much money and paddy, the 7th plenum of the CPV Central Committee clearly pointed out that the "interest rates must be raised, bond maturity dates must be reset and the methods used to issue bonds must be changed in order to strengthen mobilization."

Implementing the resolution of the CPV Central Committee, the Council of State issued an order to supplement and revise a number of points in the 25 November 1983 Law on Issuing Fatherland Construction Bonds. The revisions to the bond mobilization policy focus on two problems, the maturity dates and annual interest rates of various types of bonds.

1. The law stipulates that two types of bonds are to be issued simultaneously. One has a 10-year maturity date and the other has a 5-year maturity date starting from the date of purchase. Experiences in issuing bonds in a number of countries show that bond maturity dates are relatively long. In the Soviet Union, the first cash bonds were issued in 1922. Bonds with 10-year maturity dates continued to be issued during the period of national industrialization. Since 1936 and the end of the world war, the Soviet Union has issued bonds with 20-year maturity dates.

Based on our country's specific socioeconomic conditions, the Council of State has decided to issue bonds with 10-year and 5-year maturity dates. This decision considers both the time that it will take the projects built with bond funds to manifest an effect and bring results and the special characteristics of the socioeconomic situation, living conditions and the psychological factors of the populace.

2. Based on the revised law, there are two rates of interest that are suitable for the two types of bonds:

The interest rate for bonds with a 5-year maturity date is 2 percent a year.

The interest rate for bonds with a 10-year maturity date is 3 percent a year.

When setting bond interest rates, some want to make a comparison with interest rates on socialist savings deposits. However, the analysis cannot be based on such a direct comparison. In conditions in which

the value of money is unstable and commodity prices fluctuate, the rate of interest on savings deposits is set so as to ensure the interests of the depositors. Conversely, with bonds, guaranteeing the rights of the bond holders is not based on interest rates. The important thing is to maintain the value of the bond purchase money by commodities. Decree 145/Council of Ministers of 6 December 1983 stipulates that the "state must maintain the value of bond purchase monies by common industrial goods, building materials and prefabricated housing." Based on this decree, the money spent on purchasing bonds corresponds to a certain volume of commodities based on the fiscal price of issuing the bonds. When the bonds mature, the state will redeem them at a price corresponding to the volume of commodities based on the fiscal liquidation price. This maintains the value of the money that the people spent to purchase the bonds. This definitely protects the interests of the bond holders.

Some people say that to make the bonds more "attractive" and mobilize more [money], bond interest rates must be increased. Actually, the 1983-1984 bond campaign proves that the campaign to motivate people to purchase bonds does not depend on whether interest rates are high or low. Since this is a nationwide political movement, the most important thing is to carry out the propaganda work well so that the people understand the party's and state's positions and policies on issuing bonds, manifest their patriotism, love for socialism and spirit of socialist collective ownership and, together with the state, make an effort to accelerate national construction and defend our socialist fatherland. In the past period, even though the economic potential of a number of localities was not very great, because of the direct leadership and guidance of the party committee echelons and authorities and because of the close coordination of activities in the bond campaign committees of the sectors and mass organizations, these localities launched a spirit of patriotism and love for socialism among the people, created a vigorous emulation movement to purchase bonds and fulfilled or exceeded the anticipated norms for mobilizing bonds in the locality. Conversely, in a number of localities where there was greater economic potential and where the incomes of the people were higher, because the party committee echelons and authorities gave little attention to organizing and coordinating activities and spreading propaganda and did not launch a mass movement, very little was achieved.

It must also be said that bonds with 10-year maturity dates that were issued in 1983-1984 and during the first months of 1985 before the Council of State announced this revision of the law will earn the new rate of interest, which has been set at 3 percent a year for bonds with a 10-year maturity date, just like bonds issued after the announcement of the revised law.

With the good experience gained from the 1983-1984 campaign to motivate people to purchase Fatherland Construction Bonds, if the revised law, which corrected a number of points in the 25 November 1983 Law on Issuing Fatherland Construction Bonds, is adhered to strictly and changes are made in the way that bonds are issued, which is something that the Council of State and the sectors responsible are studying, we believe that the campaign to motivate people to purchase Fatherland Construction Bonds in 1985 and in succeeding years will receive strong support from the people and bring in large amounts of money, paddy and foreign currency.

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CSO: 4209/509

MARKET MANAGEMENT PROBLEMS IN HA NAM NINH OUTLINED

Nam Dinh HA NAM NINH in Vietnamese 12, 16, 19 Apr 85

[Article by Tran Bot: "Surrounding Market Management"]

[12 Apr 85 p 3]

[Text] I. Strengths and Weaknesses in Finding and Obtaining Goods

Socialist trade forces surging forward to take over the market are an important factor in market management. Since implementing decentralization, district trade corporations and marketing cooperatives have been strengthened organizationally and improved professionally. Each district, municipality and city trade corporation has hundreds of cadres and personnel performing distribution and circulation. State stores and stalls and marketing cooperatives are occupying favorable positions in all fields. Recently, the entire sector built more than 100 additional selling sites. Each year our provincial trade has received tens of millions of dong in investments from sources of capital to build the material and technical base (e.g., procuring transportation equipment, building storage facilities, stores and stalls). The pace of investment for capital construction has multiplied many times over previous years.

The economic management mechanism in commercial ventures is gradually being freed of difficulties and constraints. District-level marketing cooperatives used to engage only in movements; now they also are providing a portion of the capital, material and labor for business operations. The marketing cooperative movement in subwards and villages has been more vigorously organized and has received additional capital and goods in investment from its network of sectors. Assessing the organizational structure and material and technical base, our province's distribution and circulation forces are sufficiently viable in both standing and strength to surge forward and take over the market.

Finding goods is at the root of market management. The mechanism linking the multidimensional economy, which has promoted obtaining sources of goods from units, has grown more and more effective. In general, the gross amount of purchases has increased at a noteworthy pace over the past years, exceeding the plan from 20 to 50 percent each year, the last year more than the previous one. Using 1984 as an example, the gross amount of purchases of the state trade bloc reached over 3.4 million dong, exceeding the plan by 1.3 million. The district-level marketing cooperative bloc was 340 million dong, the village bloc, 850 million

dong. Many important items from the localities such as pork, rush, rush mats, etc., were extraordinary, and effective acquisition of goods has created advantages for organizing sales.

In just the first 2 months of 1985, the gross sales value brought in 900 million dong in cash. The high point one day was in Nam Ninh, Ha Nam City when corporations sold goods and collected from 3 to 5 million dong in cash.

Alongside the socialist trade forces' efforts to surge forward and take over the market, we also see revealed many shortcomings in procuring and finding sources of goods and organizing selling. The local goods procurement network is not extensive, procedures and buying and selling prices are not flexible, and payments are not aboveboard and prompt, indebting farmers. The above situation has sorely affected production, distribution-circulation, and market management.

Generally, units are inclined to run after items having high profits such as fine fabric and cigarettes; conversely, it seems that many types of ordinary goods are forgotten. Ready-made clothing for children is now scarce in all localities in the province. Private traders are controlling this item. A number of items sold according to set quantities are being substituted, and amounts and quality are not guaranteed.

Organization of goods acquisition outside the province is in disorder, in competition for buying and selling, in pursuit of price differences, and weighted toward long-distance trade. Buying and selling back and forth among units also occurs. The price structure remains arbitrary among corporations, state stores and marketing cooperatives.

Organization of selling is often not fast, causing losses to the state and the consumer and further complicating the market situation. Flawed selling procedures, prices and times in many items are conditions giving rise to the negativism and opportunism of a number of people and gangs. This has been readily apparent in Nam Dinh Municipality during recent times. These are the weaknesses unfavorably affecting the market management situation.

[16 Apr 85 p 3]

[Text] II. Rearranging Markets, Reforming Private Industry and Trade

Organizing and rearranging markets and the issue of reforming private industry and trade are two tasks that are closely connected to each other and that have a very important position in market management efforts. Satisfactorily organizing and rearranging markets have a positive effect on reforming private traders.

Many markets have been built, expanded and reformed recently. Organizing and rearranging private traders engaged in business according to lots, series and commodity sectors are creating advantages for inspecting and controlling merchandise and collecting taxes and fees. The areas of Hai Hau, Y Yen and Vu Ban and the cities of Ha Nam, Ninh Binh and Tam Diep have made distinct progress in this respect. Many localities are bringing state stores and marketing cooperatives in to occupy good positions in the market. Many places have expended investment capital and coordinated efforts to encourage private traders to

make additional contributions to obtain money for building markets, expanding space, building additional stalls for selling goods, and guaranteeing order and sanitation in markets. Ha Nam City has invested 2.5 million dong to reform the Bau market. Here, dozens of stalls have been built and steel framework erected. The market base has been reformed and the network of market drains and fences has been repaired. After reforming the Bau market, Ha Nam City conducted rearrangement of private traders. Thanks to this, sources of fixed income and tax collection in the market increased from 20,000 dong to 50,000 dong a month compared with before. The market management board is closely coordinating in an effort to better manage sources of income.

In Nam Dinh Municipality, market management is still fraught with many weaknesses. The entire municipality has five big markets and many small ones. Except for the Rong market, virtually all of the municipality's markets are in a state of anxiety over order and sanitation. On rainy and windy days the market gathers on mud and dirty water overflowing on streets and sidewalks which impedes traffic. The people coming to rural markets on rainy and windy days toil harder. Yet there have not been positive measures to overcome this situation for a long time. Now the surface of several markets is being usurped. A number of people are digging up and taking the soil. Primarily because of the failure to satisfactorily organize and arrange, the municipality and many villages and districts have suffered losses of approximately 60 percent in sources of income from the markets.

Since implementing the new industrial and commercial tax policy and conducting registrations, examinations and issuance of business registrations to families engaged in business, the localities have arranged for households to study the line and policy of the party and state. The first time, 11,625 business registrations were issued. The focal points were Nam Dinh Municipality and the cities of Ninh Binh, Tam Diep and Ha Nam. At the first of the year, the entire province again conducted and approved reissuance of business registrations to all. This time, responsible sectors carried out registrations, examinations, and issuance of business registrations more closely. The overall guiding trend was to somehow reduce businesses, especially in commodity sectors needing restriction, or transfer a portion to production or other businesses.

At the municipal market, this first phase changed and issued 2,800 business registrations, declining 1,000 households compared with before. The food and beverage business sector alone declined 698 households. A number of households asked to transfer to subward marketing cooperatives. Most transferred to other businesses in 14 directed groups of goods. The municipality is striving to pool the households selling fabric on Pham Hong Thai Street in order to establish a fabrics market on Ba Trieu Street. Nearly 100 households selling this item have been arranged and stabilized.

In Cua Bac Subward, the subward authorities together with responsible forces are resolutely pulling out nearly 30 stalls that have illegally sprouted up on the sidewalk. From the experience of Cua Bac Subward, the entire municipality has 350 households selling goods on the sidewalk which the subwards are arranging into commodity sectors according to the stipulated position. Over 200 trade teams are being rechecked in terms of organization, business and shares of distribution. More than 10 "noncollective" production teams are being dissolved.

Recently, the municipality has formed the Toan Thang Cooperative with a view to transferring a portion of the people engaged in business to direct production such as making blankets, sewing and mending gunnysacks, making bamboo goods, etc., the first step in gathering a number of private traders together for production. This is a new effort by the municipality. According to stipulations, each household is permitted to stop selling goods 15 days out of the month and be exempt from taxes (just implemented at the Rong market and My Tho market) in order to take its turn working at the Toan Thang Cooperative. In actuality, however, stalls still operate. Or these households hire someone else or let their children work instead.

In the cities of Ha Nam, Ninh Binh and Tam Diep, the number of private traders has also declined from 30 to 40 percent compared with before, according to data on the issuance of business registrations this time.

The reform of private industry and trade is a difficult and complex matter, demanding regular and continuous implementation. In reality, the process of registering, examining and issuing business registrations still has many loopholes, causing losses to the state. Registration of the amount of business is still relatively far from reality. There are cases in which tax cadres deliberately lower the level of business income in order to reduce taxes for private traders. The recent inspection phase indicated many households have up to two or three business registrations.

[19 Apr 85 p 3]

[Text] III. Entanglements Needing Unraveling

Market management is a difficult task not only because of its relationship to many positions and policies of the party and state which impact on many things but also because the management mechanism has many inconsistencies, management, arrest and trial for violations, for example. As soon as a case is discovered the tax sector simply collects the tax then lets them go. Market management resolutely makes the arrest and waits for trial later.

Only at times when there are centralized guidance phases do sectors involved in market management unify command. Afterwards, coordination among these sectors again declines and entanglements reappear. Phases for registering and issuing business registrations demonstrate this situation fairly clearly. The tax sector issues licenses. The trade sector reviews and issues business registrations. Data from which side is closer to reality? There are business registrations but no payment of license taxes, and private traders still operate normally. The state loses income. Even though there are preprinted forms from the Ministry of Finance, in actuality tax receipts are still used according to convenience and not in strict accordance with stipulations for commodity sectors. Finance collects taxes and, in some cases, market management does too, yet the budget sustains losses!

Market management is a process of struggle. Reality has specific policies, measures, and methods which must be kept secret up to the last minute. But, the guidance phases centralized in key areas have indicated that a number of things have been leaked. Deceitful persons have prepared ways in advance to cope. This proves that we have not cleansed the ranks in sectors responsible for market management.

Directive 871 from the provincial people's committee prohibiting private traders from engaging in the pork business has been in effect for 2 years now. This is the basis making it possible for socialist trade forces to surge forward to take over the market and support the life of the people. Widespread in rural, municipal, city and town markets and marketing cooperatives is the giving of "blank-check" contracts to private slaughterers who pay a percentage of the profits to the collective. And the state loses 50 to 60 percent of the slaughter tax annually. Some localities "mistakenly" let private traders slaughter pigs without collecting the slaughter tax. Because of this, private traders in this business still operate vigorously. Slaughter taxes and temporary business taxes are either not collected or, in some places, collected perfunctorily. We have sought to understand a number of people selling pork. They state that each time catties are seized they must pay 50 or 60 dong without receipts to get back the catties(!?). Arrest, confiscation, and confiscatory purchase are not done continuously. Five large markets in the municipality still have hundreds of people making bamboo goods. We should also remind that each month the municipality has "dropped" 100,000 dong in taxes on this item. Thus, state stores and marketing cooperatives still cannot change shifts to take over the market throughout the 12 hours in the day.

The tax law is a great policy of the state, but we have not thoroughly implemented it with a view toward regulating the income level of businessmen and limiting the number of households going out to carry on business in this sector and that. At the key markets of Nam Dinh, Ha Nam, and Ninh Binh, many households in the food and beverage business "prosper" and have a large volume of business, but their level of business income for tax calculation is only 30 to 40 percent of the actual business income.

Many basic investigations indicate that the entire province has approximately 31,080 private traders, but taxes are collected on only 11,256 households. In Nam Dinh Municipality there are 6,530 households engaged in business, yet only 3,250 are on the tax ledger. Ha Nam City has over 900 households, yet just over 500 households are on the tax ledger.

Market management in our province can achieve higher results if, in the future, we gradually overcome the foregoing difficulties and entanglements.

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CSO: 4209/460

INCREASE IN NUMBER OF JOINT STATE-PRIVATE STORES REPORTED

Hanoi NHAN DAN in Vietnamese 3 Jun 85 p 1

[Article: "A New Feature at the Markets, Hundreds of Additional Joint State-Private Stores"]

[Text] In transforming private commerce, many provinces and cities are using the form of cooperative business ventures between the state and large and medium-sized business families. Ho Chi Minh City now has almost 500 cooperative stores consisting of more than 4,200 households, of which more than 250 are major families, and almost 250 million dong has been contributed. At the beginning of the year, this was being done just in the beverage sector. But now the sundry goods, fruit and vegetable, poultry and service sectors are using this form, too.

In Hanoi, the Dong Xuan market has 30 households that sell cloth in cooperation with the state. Each day, more than 1 million dong worth of cloth is sold. In Kham Thien Subward, there are almost 20 tailoring shops that carry on business in cooperation with the state.

In Hau Giang, Quang Nam-Danang, Dong Nai and Haiphong, there are hundreds of cooperative stores. At the Hoa Thanh market in Tay Ninh, the use of this form quickly attracted 360 private individuals, who contributed capital to doing business based on state guidance and management. Based on the real situation in each locality, many places have applied other forms, such as using their technical labor, organizing things for them to act as agents, arranging for them to do business based on each vocational group and mobilizing them to contribute additional shares to the marketing cooperatives. Using these forms, a beginning has been made in exploiting the capital and goods of private individuals and involving the capital and goods in business enterprises to support production and life based on the guidance and control of socialist commerce and to contribute to strengthening market control and restoring order at the markets.

Along with expanding these forms, a number of places are promptly blocking the deceitful activities of a number of business families, who are making use of these forms in order to avoid paying taxes, sell the goods of speculators and smugglers and steal state goods. A number of provinces and cities are coordinating things between related sectors in order to formulate clear rules and regulations on prices and the calculation of profits and ensure that the cooperative stores really do carry on operations honestly and according to the guidelines so that both the private individuals and the state profit.

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CSO: 4209/509

BRIEFS

STATE-PRIVATE STORES--Following the pilot project in business cooperation between the state and private businessmen at the Tu Do Restaurant on Tran Phu Street, a project which yielded marked results, and with the support of the people, Quang Nam-Da Nang has entered into cooperative business ventures with 450 large businesses throughout the province. The commerce sector is providing short-term training to 300 cadres to promptly augment the personnel at 100 joint business stores. The commerce sector has supplemented the existing inventory of private businessmen and adopted plans to develop other sources of goods in order to have more products to sell and establish business cooperation with private businessmen within their product sector. The municipality of Da Nang now has 23 joint business stores, 11 of which are cloth and ready-made clothing stores, 3 of which are supply and discarded material stores... Participating in these stores are 352 private businessmen with a total of more than 6 million dong in initial capital. Quang Nam-Da Nang is endeavoring to complete the organizing of business cooperation between the state and the large private businesses within the province by the end of June. [Text] [Hanoi NHAN DAN in Vietnamese 27 May 85 p 1] 7809

CSO: 4209/499

AGRICULTURE

BRIEFS

CATTLE HERD INCREASES 5.6 PERCENT—Hanoi, 5 Jul (VNA)—Vietnamese now have more than 5 million head of cattle, up 5.6 percent over the same period last year. These include 2,662,000 draught cattle, 2,523,000 buffaloes and 2,480,000 cows. Encouraged by party organizations and the administration at all levels, more and more collective units and individuals are engaged in livestock breeding. More and more families are breeding cows with the aim of increasing their income and supplying manure to crop fields. Over the past year, the cattle herd has increased by 21.4 percent in the southern coastal province of Phu Khanh, 11.28 percent in the northern provinces and 9.71 percent in the southern provinces. [Text] [Hanoi VNA in English 0726 GMT 5 Jul 85 OW]

CUU LONG COCONUTS--Besides rice, Cuu Long Province is encouraging people to grow and process coconuts in order to support domestic needs and exports. During the past 10 years, Vung Liem, Tieu Can, Tam Binh, Tra Cu and Duyen Hai districts have each planted 250,000 to 400,000 hectares in coconuts, which have and are bearing fruit. Cuu Long has established three state farms that specialize in the cultivation of coconuts. They have planted 120,000 coconut trees on almost 1,000 hectares. As of now, Cuu Long has 3.5 million coconut trees on 14,000 hectares. Since 1980, Cuu Long has planted 2 million coconut trees. Of these 1,750,000 are bearing fruit. Except for the portion consumed by the people, 11,000 tons of copra a year can be mobilized to support provincial production needs and exports. [Text] [Hanoi NHAN DAN in Vietnamese 3 Jun 85 p 2] 11943

CSO: 4209/509

CHEMICAL GENERAL DEPARTMENT HEAD ON 1985 PLAN

Hanoi CONG NGHIEP HOA CHAT in Vietnamese Apr 85 pp 2-5

[Article by Le Van Dy, head of the Chemical General Department: "Some Guidelines on Formulating and Organizing the Implementation of the 1985 Plan of the Chemical Sector"]

[Text] The year 1985 is the final year of the 1981-1985 Five Year Plan, consequently, it is a year of very important significance, a year in which we must complete the remaining portion of the 1981-1985 Five Year Plan well while very thoroughly preparing the guidelines, tasks and objectives of the 1986-1990 plan and our socio-economic development strategy as well as the scientific-technical development strategy of the sector for the period between now and the year 2000 and a number of years beyond the year 2000.

In order to perform the tasks described above, 1985 must be a year in which truly urgent and thorough preparations are made on the basis of drawing experience from and evaluating the activities of the sector in recent years in order to learn the lessons they hold. The remaining portion of the 1981-1985 Five Year Plan must be carried out in order to successfully and comprehensively complete the third 5-year state plan and, on this basis, formulate the fourth 5-year plan and, most importantly, the 1986 plan.

The salient and special aspect of the implementation of our sector's plan during the past 4 years has been that despite the many difficulties being encountered by the economy, despite the imbalances that exist with regard to materials, energy, communications-transportation, foreign trade and living conditions, our sector succeeded in formulating and establishing correct and practical guidelines, tasks and objectives regarding the sector's development under the guideline "self-reliance-science-business" combined with the rapid and timely implementation of the resolutions of the Political Bureau, the Party Central Committee and the Council of Ministers, especially Resolution 32 and Resolution 37 of the Political Bureau, the resolutions of the 3rd and 6th Party Plenums, government Decisions 25 CP and 26 CP and then Council of Ministers' Decision 146 HDBT. The above mentioned resolutions and decisions have had the effect of opening directions that enable the sector and its basic units to take initiative in their production and business operations and broaden their efforts to establish economic ties and economic cooperation in order to develop potentials that lie within and outside the sector, especially

economic ties with other sectors and the localities for the purpose of recycling raw materials and foreign currency to support the development of production. As a result, during the past 4 years, despite the difficulties mentioned above, the chemical sector not only stopped the decline in production, but also achieved an annual growth rate of 10 percent. Many new products have been put into production. Many research projects have been applied to provide substitutes for certain raw materials, fuels and supplies and introduce new products. A number of research projects that were only successful within the laboratory have been applied in large-scale trials. Some capital construction projects were restructured, retargeted and accelerated, as a result of which they were put into production and are meeting a portion of the needs of the national economy. These projects were the expansion of the Lam Thao Superphosphate Plant, the Ninh Binh Phosphate Plant, the small superphosphate plants in the southern provinces and a number of small chemical plants producing such products as acetylene, baking powder, soda and technical chemicals. Along with production, scientific-technical research and capital constructio

n, the sector has also focused its efforts on organizing its management, considering this to be one of the important elements of the superstructure, and reorganizing the operations of its basic units in order to put industrial management on a regular basis. The various forms of economic ties and cooperation have been closely tied to the specific requirements of management by economic-technical sector, thereby resulting in the introduction of a number of new systems and policies in production, business and the management of production as well as the training and strengthening of the corps of management cadres and scientific-technical cadres.

To lay the groundwork for formulating the sector's development strategy, we have also invested an appropriate amount of time in the strategies and guidelines for the development of the sector during the years from 1986 to 1990 and between now and the year 2000 and a number of years beyond the year 2000 for our country and for the region. As a result, during the past 4 years, we have not only moved production forward, but also built momentum and made preparations for the building and development of the sector. However, from the standpoint of both the guidance being provided and the activities being conducted, there are still some problems that must be quickly resolved, resolved in 1985. The key problem is that planning is still not firmly based on the supply of materials and other forms of support. Efforts to develop the various sources of supplies are still marked by confusion due to the failure to promptly dismantle constraining mechanisms and policies. As a result, many different difficulties have been encountered in formulating and implementing plans and the sector as well as each of its basic units have had to constantly deal with and overcome unnecessary difficulties to insure the implementation of proposed plans.

Another problem is that the restructuring of production by economic-technical sector and the assignment of management functions and responsibilities have not been carried out properly or quickly, as a result of which the formulation of the master plan for the sector's development, especially the development of a number of key industries, has been affected. Some basic units have not taken the initiative in conducting planning and formulating a long-term plan for their unit or in establishing economic ties to develop by economic-

technical sector. These problems have created a lack of coordination in guiding, managing and implementing plans. They are objective and subjective problems that require the efforts of the state and the combined ministries. The sector itself must also display greater dynamism and quickly research, apply and promulgate mechanisms and policies within the sector to fully develop the potentials of each unit, achieve a combined and well coordinated strength and bring about new changes in order to overcome the inertia, conservatism and lack of initiative with the aim of moving forward and meeting the sector's large objectives.

We begin the 1985 plan with many basic advantages in our favor. They are the new resolutions and decisions that have been promulgated by the Party Central Committee and Council of Ministers, such as the resolutions of the 6th and 7th Plenums of the 5th Party Central Committee and Council of Ministers' Decisions 156 HDBT and 166 HDBT, appended to which are a number of basic instructions from the combined ministries and sectors, the spirit of which gives the basic units greater independence in the area of cooperation, economic ties and joint businesses with the aim of developing the various sources of supplies and implementing the principle of shifting entirely to economic accountability and socialist business principles. These provide very important bases upon which each unit within the sector can rely in the formulation of its plans for 1985 and subsequent years.

We gained some experience during the past 4 years and despite the fact that many difficulties were encountered, we always took measures to overcome them and achieved high levels of production compared to our yearly plans. In particular, the target of 400,000 tons of phosphate fertilizer set by the 5th Congress was met 1 year ahead of schedule by tapping the combined intelligence and strength of the entire sector. These factors must be maintained and developed upon in the years to come.

Therefore, in the formulation and implementation of the 1985 plan, we must fully develop upon all of the advantages mentioned above, must adhere to the main guideline set by the sector, the guideline "self-reliance-science-business," and to the principle of formulating plans from the basic level upwards.

As regards the themes, objectives and tasks for 1985, the following requirements must be met:

1. We must formulate and successfully implement the plan for 1985 and the balance of the 1981-1985 Five Year Plan.

The 1985 plan must be a combined plan so that we can meet all of the norms of the third 5-year plan. Therefore, these norms must be the basis upon which the balance of the plan is formulated. Every effort must be made to research ways to expand the mechanisms now in place, to calculate, balance and develop the various supply sources in order to develop the spirit of initiative and creativity and insure a higher level of performance under this plan than under the plans for the previous 4 years. To accomplish this, it is necessary, beginning at the very start of this year, to fully develop upon the experience and results gained in the preceding years, especially the dynamism,

creativity, independence, cooperation and mutual assistance, and use the time afforded by good weather to focus on the key objectives in production and capital construction as well as the other activities, specifically:

a) Production: although the state has yet to assign the official plan norms for or indicate what they will be receiving by way of materials, foreign currency and the other forms of support, each basic unit must take the initiative in calculating and thoroughly developing its existing potentials and expand its joint businesses and economic ties in order to maintain and develop production. This demands dynamism and creativity on the part of each unit, demands that full use be made of favorable weather conditions to produce many products beginning at the very start of the year. The production targets for 1985 still focus on the central elements of the sector's production: fertilizer, basic chemicals, chemicals used as raw materials, consumer chemicals and exported chemicals. In particular, we must endeavor to increase the production of phosphate fertilizer 10 percent or more compared to 1984 in accordance with the resolution of the National Assembly. Although we have not yet balanced the sources of raw materials containing sulphur and sources of coke with our needs, we must take every possible step to establish sources of foreign currency so that we can quickly import these raw materials and must also do more to develop each domestic potential. We must gain experience and learn lessons from 1984 so that we can provide better guidance of the plan to produce one-half million tons of phosphate fertilizer in 1985.

b) Capital construction: in addition to the need to further clarify what must be done so that we can adopt a specific plan for capital construction during the next 5 years, which includes projects constructed by units themselves under suitable mechanisms and policies, it is necessary to prepare the conditions needed to begin the construction of several large projects, such as the apatite sorting plant and the Southern Phosphate Fertilizer Plant, as well as initiate a series of projects to mine and process raw materials to support the 1986-1990 plan and the plans for subsequent years. A number of projects must be completed so that they can be put into production, such as the soda-chlorine systems of the Bien Hoa and Da Nang Chemical Plants, the Trang Kenh and Ha Bac Soda Plants, the Ninh Binh Coking Plant, the Thanh Hoa Bichromate Plant, the phosphate fertilizer furnace systems in Ninh Binh, Da Nang... Therefore, capital construction in 1985 must be given a very important position in both guidance and management in order to achieve the established targets.

c) Scientific-technical research: it is necessary to establish or quickly conclude the research projects in the development of substitute raw materials and fuels for production, beginning with the phosphate fertilizer program, such as the use of the various types of coal in the production of roasted phosphate fertilizer, in gasification and in coking; necessary to complete the research program in the use of grade 4 ore in place of grade 2 ore; and necessary to incorporate in the plan research in the production of technical chemicals and additives for the production of detergents, paints, rubber, pesticides, dry cell batteries...at each basic unit through investments in intensive development and the retooling and expansion of existing plants in ways that reflect initiative and self-reliance. We must boldly make use of all available raw materials, fuels, building materials, byproducts and

discarded materials in order to develop potentials and increase the production of products for the sector and the economy in an effort to reduce imports to the lowest possible level, especially the importation of commonly used chemicals and chemicals that are not used in large quantities.

d) Accounting-finance and labor-wages: it is necessary to quickly apply the resolutions and policies of the party and state to the sector in a manner consistent with its special characteristics, beginning with those that pertain to prices, wages and money. On this basis, on the basis of applying these resolutions and policies in the most rational manner possible to production and business operations in keeping with the spirit of the 6th and 7th Plenums of the Party Central Committee. We must endeavor to quickly shift entirely to economic accountability and socialist business principles and insure that the sector meets the major targets of accelerating production, contributing to the increasing formation of capital, raising the income of the sector's cadres, manual workers and civil servants to a level commensurate with the labor they expend and helping to improve, on the basis of higher productivity and the development of production, their living conditions so that they are content with and enthused about their work. Therefore, urgent preparations must be made to research economic policies, especially policies regarding business accounting, incentives for the development of production and the utilization of the potentials that lie in labor, human intelligence and sources of capital. The conclusions reached in these areas must be gradually applied on a trial basis in 1985 so that we can gain experience for implementing them in subsequent years.

e) Motivation and emulation-reward: the experience of the past several years has shown that motivation and reward, if promptly provided, have a very large impact upon each activity of the sector and result in everyone willingly working hard, working with enthusiasm and zeal. Therefore, in 1985, we must make greater use of these measures, must combine material incentives with the various emulation movements. We must study and develop forms of emulation and themes that are well suited to each stage and are of practical value. We will celebrate many major holidays in 1985. We must prepare specific themes for each holiday, themes that have clear goals and provide timely incentives and motivation so that they quickly become continuous, voluntary mass movements and, at the same time, provide the conditions for the masses to acquire and display the spirit of collective ownership in the building of the sector.

2. Urgently Preparing the Procedures and Conditions for Finalizing the Fourth 5-Year Plan (1986-1990)

Along with working hard to complete the 1985 plan, making preparations for the 1986-1990 plan must be considered a task of central importance so that thought and efforts are focused on these preparations. In past years, due to the failure to make good preparations for the formulation of the next 5-year plan, the plan was not formulated until after the first year of the plan had begun, as a result of which inertia, confusion and inadequate, disorganized efforts occurred during the very first year of the plan, thus affecting stability and reliability. To correct this situation, we must give greater attention to this work in 1985. We must thoroughly implement the principle of formulating

plans from the basic level upward. Therefore, each basic unit must invest time and make very good preparations in the following areas:

a) The raw material and fuel base must be prepared very well, primarily by focusing on the development of domestic potentials and expanding the various forms of joint businesses and economic ties in order to create sources of raw materials and foreign currency to support this objective. This is an issue of key importance that has a decisive impact upon the stability of production and the development of the sector. Every unit must define its sources of raw materials and organize research in the development, enrichment, utilization and processing of raw materials. Scientific-technical research must focus on supporting this objective and making maximum use of existing sources of minerals, petroleum, natural gas and plant life so that under the 1986-1990 plan our sector not only gradually achieves self-sufficiency in commonly used raw materials, but also creates sources of raw materials for the production of fertilizers, basic chemicals and chemical fibers and lays the groundwork for meeting the food and clothing needs of the people.

b) More must be done by way of making investments in intensive development at existing basic production units in order to gradually upgrade their technology and equipment and develop surplus production capacity so that more products can be produced and new products can be introduced on the basis of making full use of raw materials and discarded materials. Every basic unit must truly attach importance to this work over the next 5 years and make it the target of efforts to strengthen and develop the unit and the sector. This is the quickest, least expensive form of investment and yields the highest returns. Research, investment and production programs and plans must be adopted that are based on displaying self-reliance and taking the initiative in this work.

c) Research and planning must be conducted for the purpose of putting into production an additional number of medium and small-scale projects designed, manufactured and built by units themselves by developing potential sources of capital in order to increase the sector's production capacity and provide it with additional material bases. Together with the projects of major importance in which the state is investing, the sector itself must boldly develop its own potentials and the potentials of corporations and enterprises in order to establish joint businesses and economic ties with the other sectors and with the localities for the purpose of building a number of new basic units and supplying additional products to the economy. During the past 4 years, we cooperated in the construction of a number of basic units for localities, such as the acetylene plants in Hanoi and Vinh Phu, the phosphate fertilizer plant in Quang Nam-Da Nang and the mining of phosphorite ore in Kien Giang. In addition, the sector itself designed small-scale superphosphate systems and cooperated with a number of provinces in the planting of essential oil crops and the processing of raw materials. Experience must be gained from these approaches, which have produced results and are realistic, so that they can be more widely applied elsewhere. This is an effort of very important economic significance; at the same time, it will bring about growth on the part of the sector's research, design, manufacturing and construction-assembly cadres. Preliminary calculations show that many medium and small-scale projects within the sector can be built by units on their own over the next 5 years. Therefore, each basic unit must recalculate

and determine what its capabilities are on the basis of new and more suitable mechanisms in order to establish sources of capital, supplies and raw materials and also determine the rate at which these projects can be constructed so that we end the next 5-year plan with additional material-technical bases and a higher level of development and can gradually begin fulfilling the sector's role within the national economy. These projects and programs must be urgently adopted so that work can begin on them in 1985 and subsequent years.

3. Establishing a Number of Mechanisms and Policies for Application in the Operations and Guidance of the Sector

To implement the resolutions and decisions of the Party Central Committee and Council of Ministers as well as the circulars of the combined ministries, our sector itself must take many specific measures through the various mechanisms and policies that have been established in order to apply them on a trial basis within the scope of the sector. We must also propose new policies to the state and seek permission to implement them. Therefore, the formulation of policies on everything from organization, administration, training, guidance and management, policies that are consistent with the sector's characteristics, is an important factor in performing the tasks that have been set. This is extremely important work. Units must make specific proposals and suggestions. The functional agencies of the general department must draw from their experience and propose new policies. Therefore, the corps of staff cadres must be trained and strengthened in terms of both their knowledge and practical skill to assist the sector in gradually performing its main task of providing state management and to truly grant independence to the basic units in their production and business operations.

In keeping with this spirit, the task of the general department and the basic units in 1985 is to take more urgent, more comprehensive action, to provide forces for production and capital construction but also provide key forces for the work of making very good preparations for the implementation of the 1986-1990 Five Year Plan and, most importantly, the 1986 plan.

The difficulties of the economy continue to affect the operations and development of the sector in a number of ways. Consequently, we must display greater initiative, creativity and dynamism, face problems squarely and keep in mind the spirit and task of the initial stage of the period of transition in order to chart a correct, consistent and positive course for the sector, one that guarantees stability in the formulation of plans, with the aim of preparing a plan for the next 5 years that will result in greater achievements than those recorded under the 1981-1985 Five Year Plan. These are the requirements and tasks that we face with regard to the 1985 plan.

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SOCIAL SCIENCE COMMISSION HOLDS SEMINAR ON DEMOGRAPHY

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[Article: "Seminar on Demography"]

[Text] The Vietnam Social Sciences Commission recently organized the first scientific seminar on population problems. Attending the seminar were many cadres and professors of demography, sociology, psychology and education and representatives of the National Population and Family Planning Commission, the labor, statistics and public health sectors, the Ho Chi Minh Communist Youth Union and the Vietnam Women's Association. Professor Dao Van Tap, the chairman of the Vietnam Social Science Commission, read an introductory report on questions that must be clarified scientifically. Almost 30 scientific reports were presented. Many reports, based on actual data, showed that the population growth rate is still high. In many zones, it is very high, and this is causing a great imbalance in economic, social and cultural development. The standard of two children per couple is rational, but it can be self-consciously accepted by all of society only through resolute education movements together with suitable economic, administrative and public health measures so that each family knows the correct requirements on the number of children, overcomes the old psychology and the old way of life and self-consciously ties family planning to the country's socioeconomic development plans. As for population changes made in various regions, many reports described the initial results of redistributing the laborers and people in various areas. At the same time, attention was given to more scientific and comprehensive calculations on all fronts: production planning, economic guidelines, preparation of living conditions (housing, communications, education, public health and culture) and implementation of the new way of life in the places that are welcoming new laborers and residents. This must be done so that the new villages have many commodity products, stable living conditions and a new life and so that family planning is carried on widely.

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